


STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

FORM 3

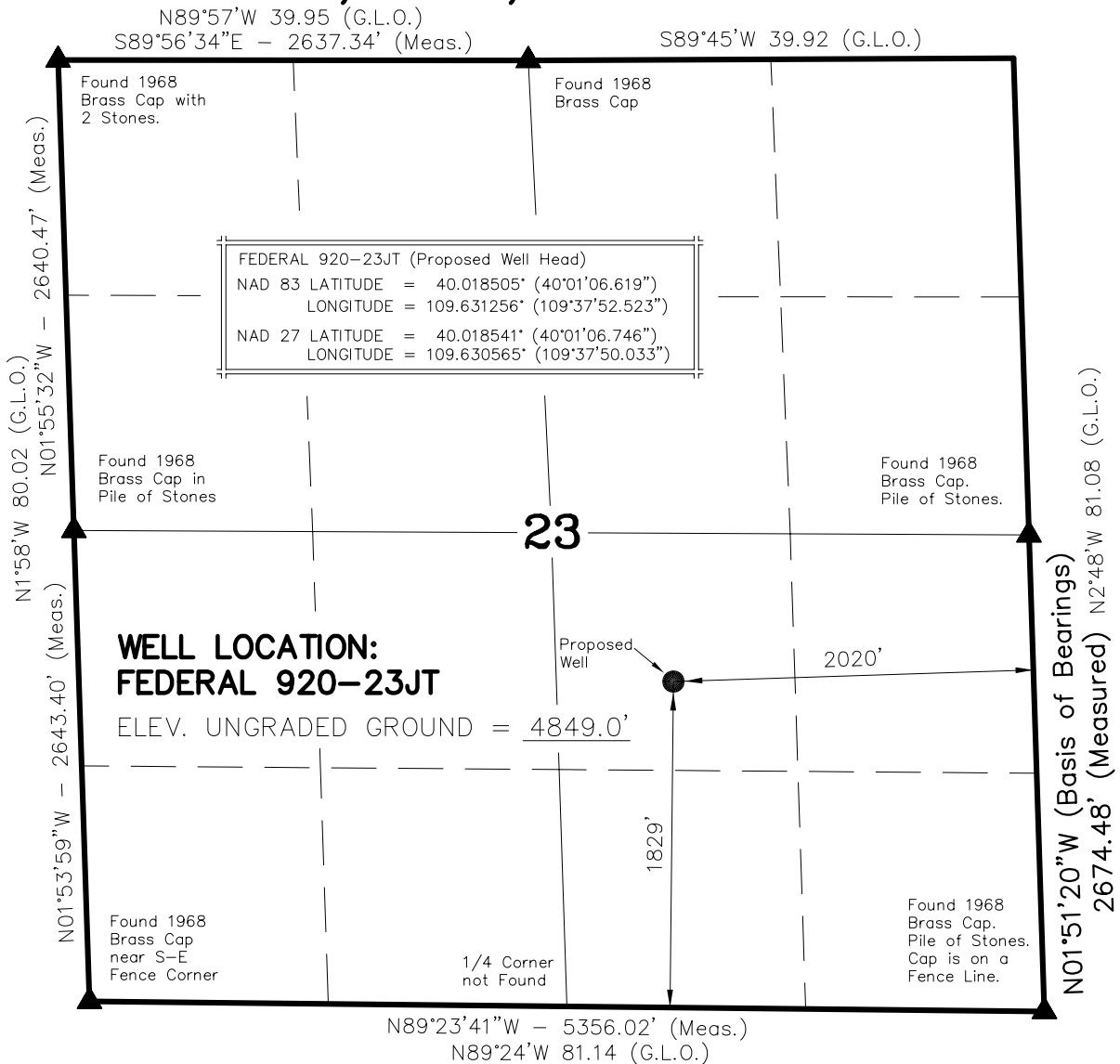
AMENDED REPORT ☐

APPLICATION FOR PERMIT TO DRILL				1. WELL NAME and NUMBER Federal 920-23JT		
2. TYPE OF WORK DRILL NEW WELL <input checked="" type="checkbox"/> REENTER P&A WELL <input type="checkbox"/> DEEPEN WELL <input type="checkbox"/>				3. FIELD OR WILDCAT NATURAL BUTTES		
4. TYPE OF WELL Gas Well Coalbed Methane Well: NO				5. UNIT or COMMUNITIZATION AGREEMENT NAME		
6. NAME OF OPERATOR KERR-MCGEE OIL & GAS ONSHORE, L.P.				7. OPERATOR PHONE 307-752-1169		
8. ADDRESS OF OPERATOR P.O. Box 173779, Denver, CO, 80217				9. OPERATOR E-MAIL Laura.Gianakos@anadarko.com		
10. MINERAL LEASE NUMBER (FEDERAL, INDIAN, OR STATE) UTU 0577A		11. MINERAL OWNERSHIP FEDERAL <input checked="" type="checkbox"/> INDIAN <input type="checkbox"/> STATE <input type="checkbox"/> FEE <input type="checkbox"/>		12. SURFACE OWNERSHIP FEDERAL <input type="checkbox"/> INDIAN <input checked="" type="checkbox"/> STATE <input type="checkbox"/> FEE <input type="checkbox"/>		
13. NAME OF SURFACE OWNER (if box 12 = 'fee')				14. SURFACE OWNER PHONE (if box 12 = 'fee')		
15. ADDRESS OF SURFACE OWNER (if box 12 = 'fee')				16. SURFACE OWNER E-MAIL (if box 12 = 'fee')		
17. INDIAN ALLOTTEE OR TRIBE NAME (if box 12 = 'INDIAN') Ute Tribe		18. INTEND TO COMMINGLE PRODUCTION FROM MULTIPLE FORMATIONS YES <input checked="" type="checkbox"/> (Submit Commingling Application) NO <input type="checkbox"/>		19. SLANT VERTICAL <input checked="" type="checkbox"/> DIRECTIONAL <input type="checkbox"/> HORIZONTAL <input type="checkbox"/>		
20. LOCATION OF WELL	FOOTAGES	QTR-QTR	SECTION	TOWNSHIP	RANGE	MERIDIAN
LOCATION AT SURFACE	1829 FSL 2020 FEL	NWSE	23	9.0 S	20.0 E	S
Top of Uppermost Producing Zone	1829 FSL 2020 FEL	NWSE	23	9.0 S	20.0 E	S
At Total Depth	1829 FSL 2020 FEL	NWSE	23	9.0 S	20.0 E	S
21. COUNTY UINTAH		22. DISTANCE TO NEAREST LEASE LINE (Feet) 1829		23. NUMBER OF ACRES IN DRILLING UNIT 2091		
		25. DISTANCE TO NEAREST WELL IN SAME POOL (Applied For Drilling or Completed) 1200		26. PROPOSED DEPTH MD: 10448 TVD: 10448		
27. ELEVATION - GROUND LEVEL 4849		28. BOND NUMBER WYB000291		29. SOURCE OF DRILLING WATER / WATER RIGHTS APPROVAL NUMBER IF APPLICABLE Permit #43-8496		
ATTACHMENTS						
VERIFY THE FOLLOWING ARE ATTACHED IN ACCORDANCE WITH THE UTAH OIL AND GAS CONSERVATION GENERAL RULES						
<input checked="" type="checkbox"/> WELL PLAT OR MAP PREPARED BY LICENSED SURVEYOR OR ENGINEER			<input checked="" type="checkbox"/> COMPLETE DRILLING PLAN			
<input type="checkbox"/> AFFIDAVIT OF STATUS OF SURFACE OWNER AGREEMENT (IF FEE SURFACE)			<input type="checkbox"/> FORM 5. IF OPERATOR IS OTHER THAN THE LEASE OWNER			
<input type="checkbox"/> DIRECTIONAL SURVEY PLAN (IF DIRECTIONALLY OR HORIZONTALLY DRILLED)			<input checked="" type="checkbox"/> TOPOGRAPHICAL MAP			
NAME Danielle Piernot		TITLE Regulatory Analyst		PHONE 720 929-6156		
SIGNATURE		DATE 07/16/2009		EMAIL gnbregulatory@anadarko.com		
API NUMBER ASSIGNED 43047505800000		APPROVAL  Permit Manager				

Proposed Hole, Casing, and Cement						
String	Hole Size	Casing Size	Top (MD)	Bottom (MD)		
Prod	7.875	4.5	0	10448		
Pipe	Grade	Length	Weight			
	Grade HCP-110 LT&C	848	11.6			
	Grade I-80 LT&C	9600	11.6			

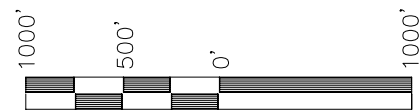
Proposed Hole, Casing, and Cement						
String	Hole Size	Casing Size	Top (MD)	Bottom (MD)		
Surf	12.25	9.625	0	2655		
Pipe	Grade	Length	Weight			
	Grade J-55 LT&C	2655	36.0			

T9S, R20E, S.L.B.&M.



NOTES:

- ▲ = Section Corners Located
- 1. Well footages are measured at right angles to the Section Lines.
- 2. G.L.O. distances are shown in feet or chains. 1 chain = 66 feet.
- 3. Bearings are based on Global Positioning Satellite observations.
- 4. Basis of elevation is the Northwest Corner of Section 12, T9S, R20E, S.L.B.&M. The elevation of this Section Corner is shown on the Ouray SE 7.5 Min. Quadrangle as being 4676'.



SCALE

SURVEYOR'S CERTIFICATE

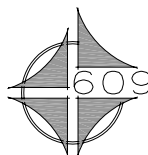
THIS IS TO CERTIFY THAT THE ABOVE PLAT WAS PREPARED FROM FIELD NOTES OF ACTUAL SURVEYS MADE BY ME OR UNDER MY SUPERVISION AND THAT THE SAME ARE TRUE AND CORRECT TO THE BEST OF MY KNOWLEDGE AND BELIEF.

REGISTERED LAND SURVEYOR
REGISTRATION NO. 362251
STATE OF UTAH

**Kerr-McGee
Oil & Gas Onshore, LP**

1099 18th Street - Denver, Colorado 80202

**FEDERAL 920-23JT
WELL PLAT
1829' FSL, 2020' FEL
NW 1/4 SE 1/4 OF SECTION 23, T9S, R20E,
S.L.B.&M. UTAH COUNTY, UTAH.**



CONSULTING, LLC
371 Coffeen Avenue
Sheridan WY 82801
Phone 307-674-0609
Fax 307-674-0182

TIMBERLINE

ENGINEERING & LAND SURVEYING, INC.

209 NORTH 300 WEST - VERNAL, UTAH 84078

(435) 789-1365

DATE SURVEYED: 12-22-08	SURVEYED BY: M.S.B.	SHEET 1 OF 9
DATE DRAWN: 03-04-09	DRAWN BY: K.K.O.	
SCALE: 1" = 1000'	Date Last Revised:	

Federal 920-23JT

Surface: 1,829' FSL, 2,020' FEL (NW/4SE/4)

Sec. 23 T9S R20E

Uintah, Utah

Mineral Lease: UTU 0577A

ONSHORE ORDER NO. 1

DRILLING PROGRAM

1. – 2. **Estimated Tops of Important Geologic Markers:**
Estimated Depths of Anticipated Water, Oil, Gas, or Mineral Formations:

<u>Formation</u>	<u>Depth</u>	<u>Resource</u>
Uinta	0 – Surface	
Green River	1,696'	
Birds Nest	1,940'	Water
Mahogany	2,452'	Water
Wasatch	5,059'	Gas
Mesaverde	8,292'	Gas
MVU2	9,230'	Gas
MVL1	9,639'	Gas
TD	10,448'	

3. **Pressure Control Equipment** (Schematic Attached)

Please refer to the attached Drilling Program.

4. **Proposed Casing & Cementing Program:**

Please refer to the attached Drilling Program.

5. **Drilling Fluids Program:**

Please refer to the attached Drilling Program.

6. **Evaluation Program:**

Please refer to the attached Drilling Program.

7. **Abnormal Conditions:**

Maximum anticipated bottomhole pressure calculated at 10,448' TD, approximately equals 6,509 psi (calculated at 0.62 psi/foot).

Maximum anticipated surface pressure equals approximately 4,211 psi (bottomhole pressure minus the pressure of a partially evacuated hole calculated at 0.22 psi/foot).

8. Anticipated Starting Dates:

Drilling is planned to commence immediately upon approval of this application.

9. Variances:

Please refer to the attached Drilling Program.

Onshore Order #2 – Air Drilling Variance

Kerr-McGee Oil & Gas Onshore LP (KMG) respectfully requests a variance to several requirements associated with air drilling outlined in Onshore Order 2

- *Blowout Prevention Equipment (BOPE) requirements;*
- *Mud program requirements; and*
- *Special drilling operation (surface equipment placement) requirements associated with air drilling.*

This Standard Operating Practices addendum provides supporting information as to why KMG current air drilling practices for constructing the surface casing hole should be granted a variance to Onshore Order 2 air drilling requirements.

The reader should note that the air rig is used only to construct a stable surface casing hole through a historically difficult lost circulation zone. A conventional rotary rig follows the air rig, and is used to drill and construct the majority of the wellbore.

More notable, KMG has used the air rig layout and procedures outlined below to drill the surface casing hole in approximately 675 wells without incident of blow out or loss of life.

Background

In a typical well, KMG utilizes an air rig for drilling the surface casing hole, an interval from the surface to surface casing depths, which varies in depth from 1,700 to 2,800 feet. The air rig drilling operation does not drill through productive or over pressured formations in KMG field, but does penetrate the Uinta and Green River Formations. The purpose of the air drilling operation is to overcome the severe loss circulation zone in the Green River known as the Bird's Nest while creating a stable hole for the surface casing. The surface casing hole is generally drilled to approximately 500 feet below the Bird's Nest.

Before the surface air rig is mobilized, a rathole rig is utilized to set and cement conductor pipe through a competent surface formation. Generally, the conductor is set at 40 feet. In some cases, conductor may be set deeper in areas that the surface formation is not found competent. This rig also drills the rat and mouse holes in preparation for the surface casing and production string drilling operations.

The air rig is then mobilized to drill the surface casing hole by drilling a 12-1/4 inch hole to just above the Bird's Nest interval with an air hammer. The hammer is then tripped and replaced with a 12-1/4 inch tri-cone bit. The tri-cone bit is used to drill to the surface casing point, approximately 500 feet below the loss circulation zone (Bird's Nest). The 9-5/8 inch surface casing is then run and cemented in place, thereby isolating the lost circulation zone.

KMG fully appreciates Onshore Order 2 well control and safety requirements associated with a typical air drilling operations. However, the requirements of Onshore Order 2 are excessive with respect to the air rig layout and drilling operation procedures that are currently in practice to drill and control the surface casing hole in KMG Fields.

Variance for BOPE Requirements

The air rig operation utilizes a properly lubricated and maintained air bowl diverter system which diverts the drilling returns to a six-inch blooie line. The air bowl is the only piece of BOPE equipment which is installed during drilling operations and is sufficient to contain the air returns associated with this drilling operation. As was discussed earlier, the drilling of the surface hole does not encounter any over pressured or productive zones, and as a result standard BOPE equipment should not be required. In addition, standard drilling practices do not support the use of BOPE on 40 feet of conductor pipe.

Variance for Mud Material Requirements

Onshore Order 2 also states that sufficient quantities of mud materials shall be maintained or readily accessible for the purpose of assuring adequate well control. Once again, the surface hole drilling operations does not encounter over pressured or productive intervals, and as a result there is not a need to control pressure in the surface hole with a mud system. Instead of mud, the air rigs utilize water from the reserve pit for well control, if necessary. A skid pump which is located near the reserve pit (see attachment) will supply the water to the well bore.

Variance for Special Drilling Operation (surface equipment placement) Requirements

Onshore Order 2 requires specific safety distances or setbacks for the placement of associated standard air drilling equipment, wellbore, and reserve pits. The air rigs used to drill the surface holes are not typical of an air rig used to drill a producing hole in other parts of the US. These are smaller in nature and designed to fit a KMG location. The typical air rig layout for drilling surface hole in the field is attached.

Typically the blooie line discharge point is required to be 100 feet from the well bore. In the case of a KMG well, the reserve pit is only 45 feet from the rig and is used for the drill cuttings. The blooie line, which transports the drill cuttings from the well to the reserve pit, subsequently discharges only 45 feet from the well bore.

Typically the air rig compressors are required to be located in the opposite direction from the blooie line and a minimum of 100 feet from the well bore. At the KMG locations, the air rig compressors are approximately 40 feet from the well bore and approximately 60 feet from the blooie line discharge due to the unique air rig design. The air compressors (see attachment) are located on the rig (1250 cfm) and on a standby trailer (1170 cfm). A booster sits between the two compressors and boosts the output from 350 psi to 2000 psi. The design does put the booster and standby compressor opposite from the blooie line.

Lastly, Onshore Order 2 addresses the need for an automatic igniter or continuous pilot light on the blooie line. The air rig does not utilize an igniter as the surface hole drilling operation does not encounter productive formations.

Conclusion

The air rig operating procedures and the attached air rig layout have effectively maintained well control while drilling the surface holes in KMG Fields. KMG respectfully requests a variance from Onshore Order 2 with respect to air drilling well control requirements as discussed above.

10. Other Information:

Please refer to the attached Drilling Program.



KERR-McGEE OIL & GAS ONSHORE LP
DRILLING PROGRAM

COMPANY NAME	KERR-McGEE OIL & GAS ONSHORE LP			DATE	July 9, 2009		
WELL NAME	Federal 920-23JT			TD	10,448' MD/TVD		
FIELD	Natural Buttes	COUNTY	Uintah	STATE	Utah	FINISHED ELEVATION	4,847'
SURFACE LOCATION	NW/4 SE/4	1,829' FSL	2,020' FEL	Sec 23	T 9S	R 20E	BHL Straight Hole
	Latitude:	40.018505	Longitude:	-109.631256	NAD 83		
OBJECTIVE ZONE(S)	Wasatch/Mesaverde						
ADDITIONAL INFO	Regulatory Agencies: BLM (MINERALS), Ute Tribe (SURFACE), UDOGM, Tri-County Health Dept.						

[illegible]



KERR-McGEE OIL & GAS ONSHORE LP DRILLING PROGRAM

CASING PROGRAM

	SIZE	INTERVAL	WT.	GR.	CPLG.	DESIGN FACTORS		
						BURST	COLLAPSE	TENSION
CONDUCTOR	14"	0-40'				3,520	2,020	453,000
SURFACE	9-5/8"	0 to 2655	36.00	J-55	LTC	0.81*	1.63	4.74
						7,780	6,350	201,000
PRODUCTION	4-1/2"	0 to 9600	11.60	I-80	LTC	1.80	1.04	2.04
						10,690	8,650	279,000
		9600 to 10448	11.60	HCP-110	LTC	2.47	1.31	34.86

*Burst on surface casing is controlled by fracture gradient as shoe with gas gradient above. D.F. = 2.10

1) Max Anticipated Surf. Press.(MASP) (Surf Csg) = (Pore Pressure at next csg point-(0.22 psi/ft-partial evac grad x TVD of next csg point))

2) MASP (Prod Casing) = Pore Pressure at TD - (0.22 psi/ft-partial evac gradient x TD)

(Burst Assumptions: TD = 12.2 ppg)

0.22 psi/ft = gradient for partially evac wellbore

(Collapse Assumption: Fully Evacuated Casing, Max MW) (Tension Assumptions: Air Weight of Casing*Buoy.Fact. of water)

MASP 4,211 psi

3) Maximum Anticipated Bottom Hole Pressure (MABHP) = Pore Pressure at TD

(Burst Assumptions: TD = 12.2 ppg)

0.62 psi/ft = bottomhole gradient

(Collapse Assumption: Fully Evacuated Casing, Max MW) (Tension Assumptions: Air Weight of Casing*Buoy.Fact. of water)

MABHP 6,509 psi

CEMENT PROGRAM

		FT. OF FILL	DESCRIPTION	SACKS	EXCESS	WEIGHT	YIELD
SURFACE	LEAD	500'	Premium cmt + 2% CaCl	215	60%	15.60	1.18
			+ 0.25 pps flocele				
Option 1							
	TOP OUT CMT (6 jobs)	1,200'	20 gals sodium silicate + Premium cmt	380	0%	15.60	1.18
			+ 2% CaCl + 0.25 pps flocele				
			Premium cmt + 2% CaCl				
SURFACE		NOTE: If well will circulate water to surface, option 2 will be utilized					
Option 2	LEAD	2,155'	Prem cmt + 16% Gel + 10 pps gilsonite	240	35%	11.00	3.82
			+ 0.25 pps Flocele + 3% salt BWOC				
	TAIL	500	Premium cmt + 2% CaCl	180	35%	15.60	1.18
			+ 0.25 pps flocele				
	TOP OUT CMT	as required	Premium cmt + 2% CaCl	as req.		15.60	1.18
PRODUCTION	LEAD	4,558'	Premium Lite II + 0.25 pps celloflake +	440	40%	11.00	3.38
			5 pps gilsonite + 10% gel '+' 1% Retarder				
	TAIL	5,890'	50/50 Poz/G + 10% salt + 2% gel	1440	40%	14.30	1.31
			+ 0.1% R-3				

*Substitute caliper hole volume plus 0% excess for LEAD if accurate caliper is obtained

*Substitute caliper hole volume plus 10% excess for TAIL if accurate caliper is obtained

FLOAT EQUIPMENT & CENTRALIZERS

SURFACE	Guide shoe, 1 jt, insert float. Centralize first 3 joints with bow spring centralizers. Thread lock guide shoe.
PRODUCTION	Float shoe, 1 jt, float collar. Centralize first 3 joints & every third joint for a total of 15 bow spring centralizers.

ADDITIONAL INFORMATION

Test casing head to 750 psi after installing. Test surface casing to 1,500 psi prior to drilling out.

BOPE: 11" 5M with one annular and 2 rams. The BOPE will be installed before the production hole is drilled and tested to 5,000 psi (annular to 2,500 psi) prior to drilling out the surface casing shoe. Record on chart recorder and tour sheet. Function test rams on each trip. Maintain safety valve and inside BOP on rig floor at all times. Most rigs have top drives; however, if used, the Kelly is to be equipped with upper and lower kelly valves.

Drop Totco surveys every 2000'. Maximum allowable hole angle is 5 degrees.

Most rigs have PVT Systems for mud monitoring. If no PVT is available, visual monitoring will be utilized.

DRILLING ENGINEER:

John Huycke / Emile Goodwin

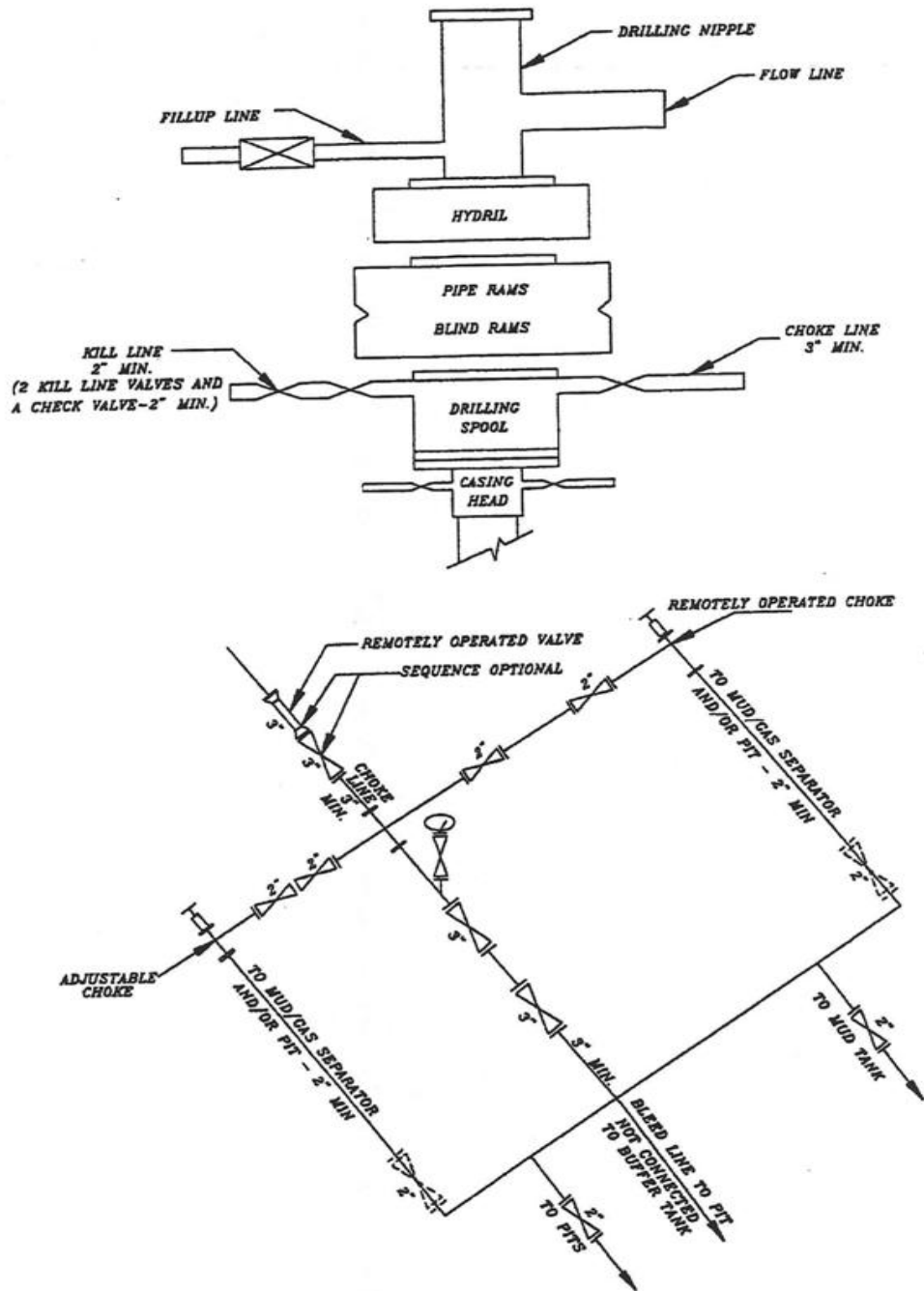
DATE:

DRILLING SUPERINTENDENT:

John Merkel / Lovel Young

DATE:

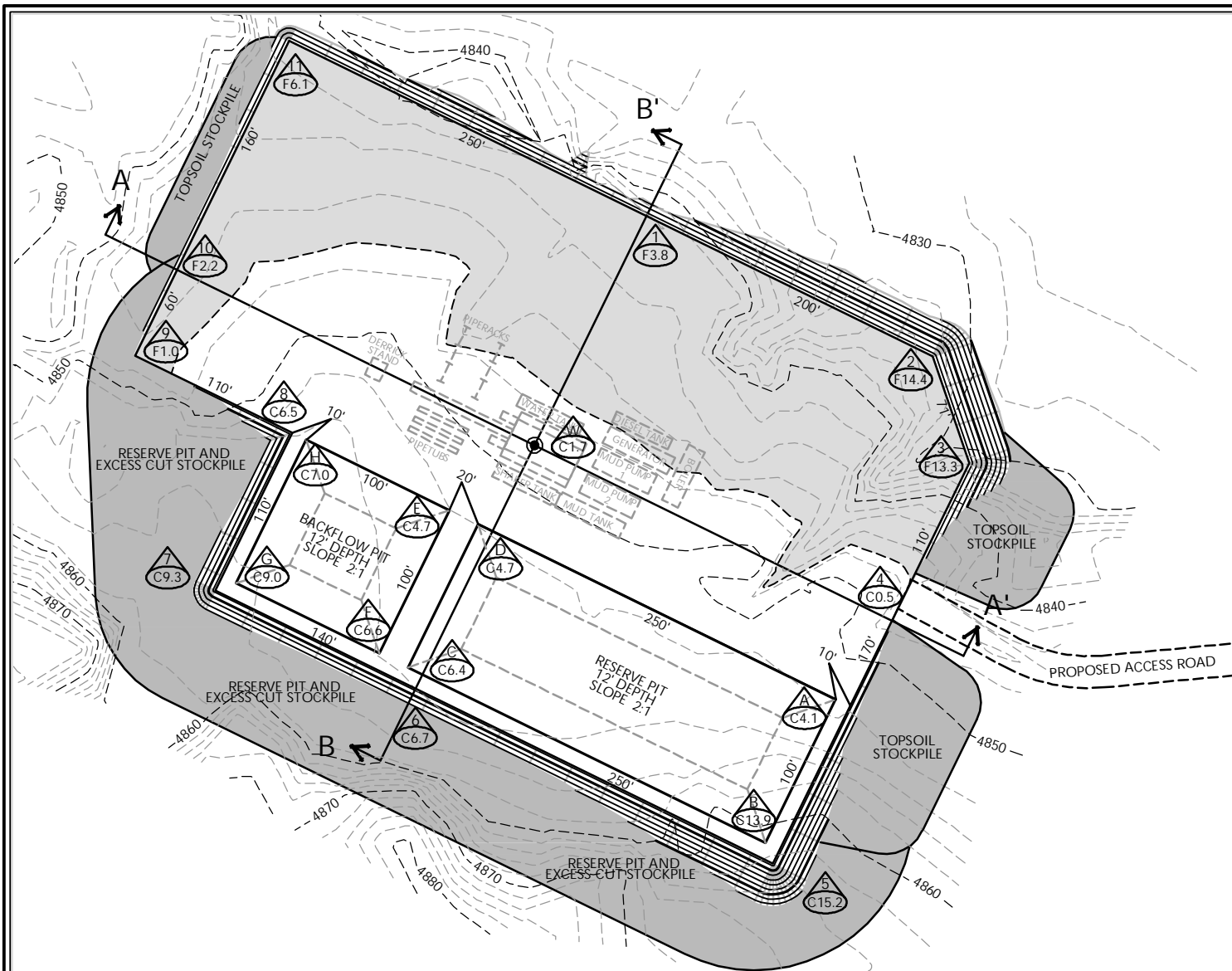
EXHIBIT A Federal 920-23JT



SCHEMATIC DIAGRAM OF 5,000 PSI BOP STACK

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WELL PAD LEGEND

- WELL LOCATION
- - - EXISTING CONTOURS (2' INTERVAL)
- PROPOSED CONTOURS (2' INTERVAL)

WELL PAD FED 920-23JT QUANTITIES

EXISTING GRADE @ LOC. STAKE = 4,849.0'
 FINISHED GRADE ELEVATION = 4,847.3'
 CUT SLOPES = 1.5:1
 FILL SLOPES = 1.5:1

TOTAL CUT FOR WELL PAD = 14,868 C.Y.
 TOTAL FILL FOR WELL PAD = 14,080 C.Y.
 TOPSOIL @ 6" DEPTH = 3,187 C.Y.
 EXCESS MATERIAL = 788 C.Y.
 TOTAL DISTURBANCE = 3.95 ACRES
 SHRINKAGE FACTOR = 1.10
 SWELL FACTOR = 1.00
 RESERVE PIT CAPACITY (2' OF FREEBOARD)
 +/- 28,730 BARRELS
 RESERVE PIT VOLUME
 +/- 7,720 CY
 BACKFLOW PIT CAPACITY (2' OF FREEBOARD)
 +/- 9,490 BARRELS
 BACKFLOW PIT VOLUME
 +/- 2,660 CY

KERR-MCGEE OIL & GAS
 ONSHORE L.P.

1099 18th Street - Denver, Colorado 80202



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 371 Coffeen Avenue
 Sheridan WY 82801
 Phone 307-674-0609
 Fax 307-674-0182

Scale: 1"=100'

Date: 2/16/09

SHEET NO:

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BY
 DATE

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2 OF 9

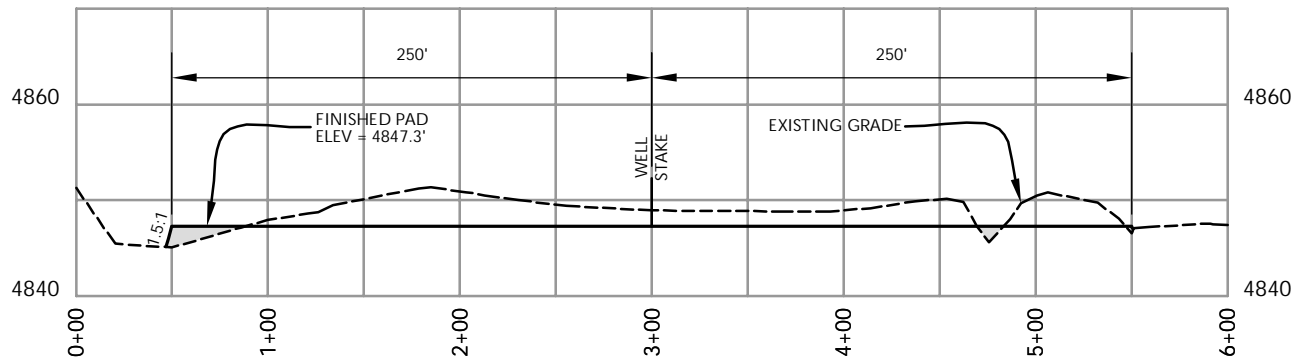


HORIZONTAL 0 50 100 1" = 100'

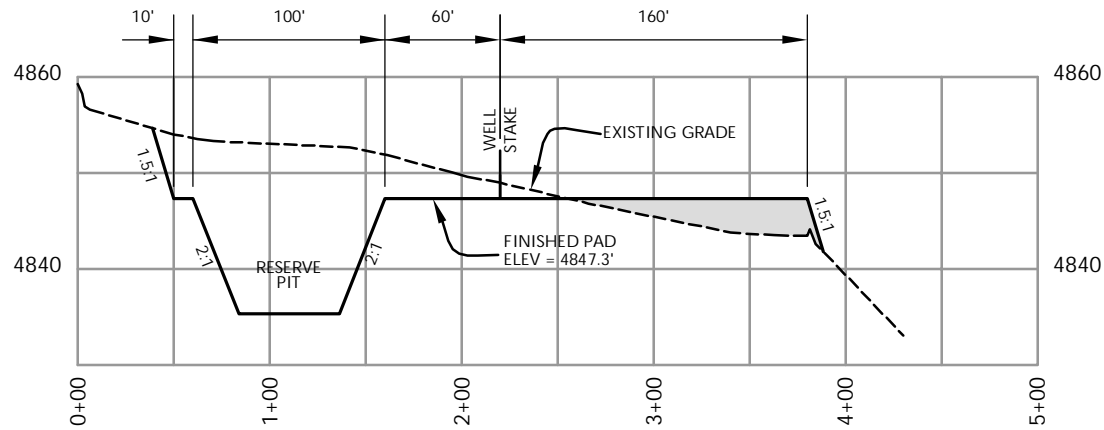
2' CONTOURS

Timberline (435) 789-1365
 Engineering & Land Surveying, Inc.
 38 WEST 100 NORTH VERNAL, UTAH 84078

FEDERAL 920-23JT
 WELL PAD - LOCATION LAYOUT
 1829' FSL, 2020' FEL
 NW1/4 SE1/4, SECTION 23, T9S, R20E,
 S.L.B.&M., UINTAH COUNTY, UTAH



CROSS SECTION A-A'



CROSS SECTION B-B'

NOTE: CROSS SECTION B-B' DEPICTS
MAXIMUM RESERVE PIT DEPTH.

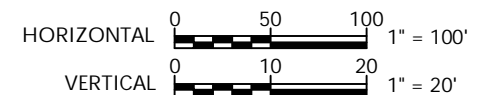
KERR-MCGEE OIL & GAS
ONSHORE L.P.
1099 18th Street - Denver, Colorado 80202

FEDERAL 920-23JT
WELL PAD - CROSS SECTIONS
1829' FSL, 2020' FEL
NW1/4 SE1/4, SECTION 23, T.9S., R.20E.
S.L.B.&M., UINTAH COUNTY, UTAH



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Phone 307-674-0609
Fax 307-674-0182

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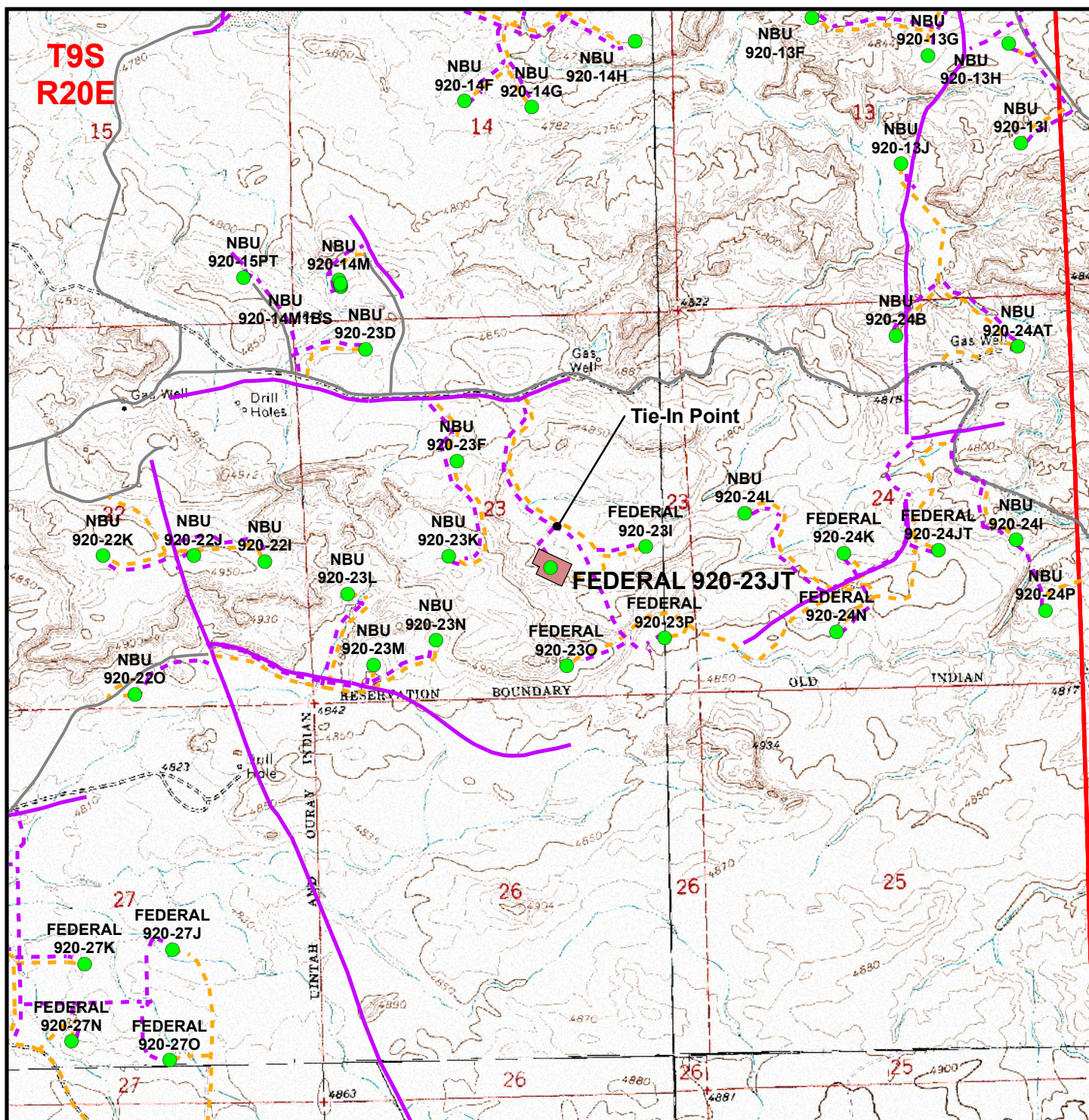
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Sheet No:
7 7 of 9



Legend

- Well - Proposed
- Well Pad
- - - Pipeline - Proposed
- - - Road - Proposed
- Pipeline - Existing
- Road - Existing

Proposed Pipeline Length From Tie-In Point To Edge Of Pad: ± 460 ft
 Proposed Pipeline Length Around Pad: ± 660 ft

Kerr-McGee Oil & Gas Onshore, LP
 1099 18th Street, Denver, Colorado 80202

FEDERAL 920-23JT
 Topo D
 1829' FSL, 2020' FEL
 NW $\frac{1}{4}$ SE $\frac{1}{4}$, Section 23, T9S, R20E
 S.L.B.&M., Uintah County, Utah

609
 CONSULTING, LLC
 371 Coffeen Avenue
 Sheridan, WY 82801
 Phone (307) 674-0609
 Fax (307) 674-0182



Scale: 1" = 2000ft	NAD83 USP Central	Sheet No:
Drawn: JELO	Date: 16 Feb 2009	8
Revised:	Date:	

8 of 9

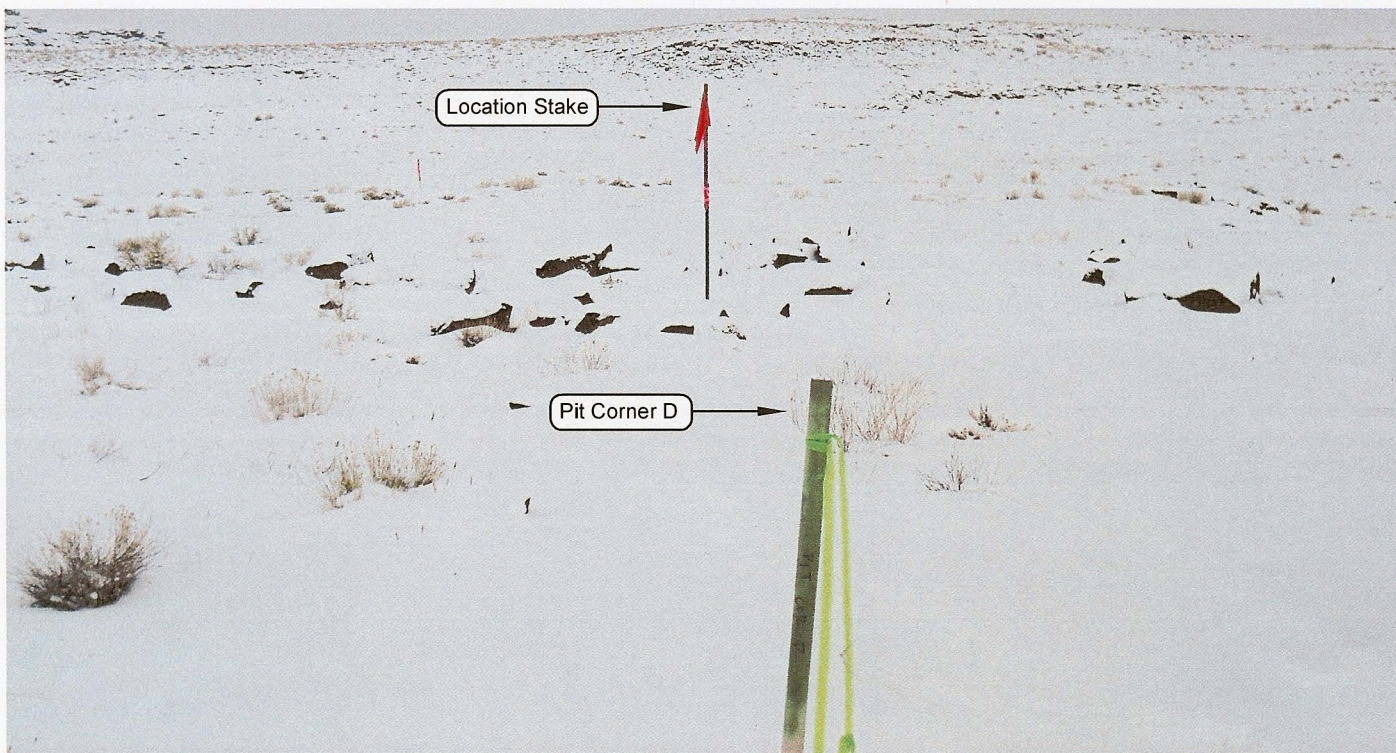


PHOTO VIEW: FROM PIT CORNER D TO LOCATION STAKE

CAMERA ANGLE: NORTHEASTERLY

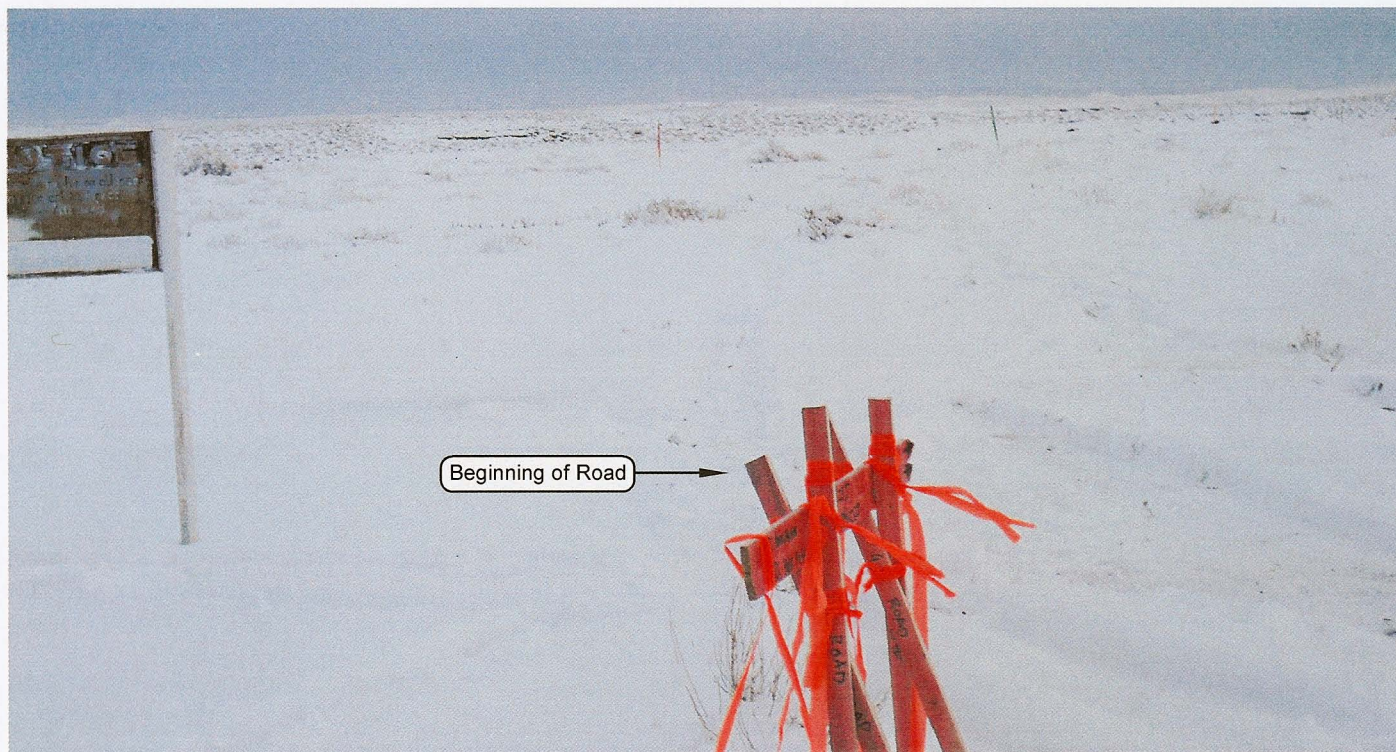


PHOTO VIEW: FROM BEGINNING OF PROPOSED ROAD

CAMERA ANGLE: SOUTHEASTERLY

Kerr-McGee
Oil & Gas Onshore, LP
 1099 18th Street - Denver, Colorado 80202



CONSULTING, LLC
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 Phone 307-674-0609
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FEDERAL 920-23JT
 1829' FSL, 2020' FEL
 NW $\frac{1}{4}$ SE $\frac{1}{4}$ OF SECTION 23, T9S, R20E,
 S.L.B.&M. UTAH COUNTY, UTAH.

LOCATION PHOTOS

TAKEN BY: M.S.B.

DRAWN BY: K.K.O.

DATE TAKEN: 12-22-08

DATE DRAWN: 02-05-09

REVISED:

Timberline

Engineering & Land Surveying, Inc.
 209 NORTH 300 WEST VERNAL, UTAH 84078

(435) 789-1365

SHEET
4
OF 9

Kerr-McGee Oil & Gas Onshore, LP
FEDERAL 920-23JT
Section 23, T9S, R20E, S.L.B.&M.

PROCEED IN A WESTERLY DIRECTION FROM VERNAL, UTAH ALONG U.S. HIGHWAY 40 APPROXIMATELY 13.9 MILES TO THE JUNCTION OF STATE HIGHWAY 88. EXIT LEFT AND PROCEED IN A SOUTHERLY DIRECTION ALONG STATE HIGHWAY 88 APPROXIMATELY 16.8 MILES TO OURAY, UTAH. FROM OURAY, PROCEED IN A SOUTHERLY DIRECTION ALONG THE SEEP RIDGE ROAD (COUNTY B ROAD 2810) APPROXIMATELY 5.3 MILES TO THE INTERSECTION OF A SERVICE ROAD TO THE NORTHEAST. EXIT LEFT AND PROCEED IN A NORTHEASTERLY, THEN EASTERLY DIRECTION ALONG THE SERVICE ROAD APPROXIMATELY 2.2 MILES TO THE PROPOSED ACCESS ROAD. FOLLOW ROAD FLAGS IN A SOUTHEASTERLY, THEN WESTERLY DIRECTION APPROXIMATELY 3,730 FEET TO THE PROPOSED LOCATION.

TOTAL DISTANCE FROM VERNAL, UTAH TO THE PROPOSED WELL LOCATION IS APPROXIMATELY 38.9 MILES IN A SOUTHERLY DIRECTION.

Federal 920-23JT

Surface: 1,829' FSL, 2,020' FEL (NW/4SE/4)
Sec. 23 T9S R20E

Uintah, Utah

Mineral Lease: UTU 0577A
Surface Owner: Ute Indian Tribe

ONSHORE ORDER NO. 1

***MULTI-POINT SURFACE USE & OPERATIONS PLAN
SUBMITTED WITH SITE-SPECIFIC INFORMATION***

This Application for Permit to Drill (APD) is filed under the Notice of Staking (NOS) process as stated in Onshore Order No. 1 (OSO #1) and supporting Bureau of Land Management (BLM) and Bureau of Indian Affairs (BIA) documents. An NOS was submitted showing the surface location in the NW/4 SE/4 of Section 23 T9S R20E.

This Surface Use Plan of Operations (SUPO) or 13-point plan provides the site-specific information for the above-referenced wells. This information is to be incorporated by reference into the Master Development Plan (MDP) for Kerr-McGee Oil & Gas Onshore LP (Kerr-McGee). The MDP is available upon request from the BIA-Ft Duchesne Office.

An on-site meeting was held on June 24, 2009. Present were:

- Verlyn Pindell and Dave Gordon – BLM;
- Kolby Kay and Mitch Batty – Timberline Surveying, Inc.
- Tony Kazeck, Jeff Samuels, Raleen White, David Liddell, and Hal Blanchard – Kerr-McGee
- Bucky Secakuku – BIA
- Nick Hall – Grasslands Consulting, Inc.
- Scott Carson – Smiling Lake Consulting
- Keith Montgomery – Montgomery Archaeological Consultants, Inc.

1. Existing Roads:

- A) Refer to Topo Map A for directions to the location.
- B) Refer to Topo Maps A and B for location of access roads within a 2-mile radius.

2. Planned Access Roads:

See MDP for additional details on road construction.

Approximately ± 0.14 miles ($\pm 750'$) of new access road is proposed. Please refer to the attached Topo Map B. No pipelines will be crossed with the new construction.

Existence of pipelines; maximum grade; turnouts; major cut and fills, culverts, or bridges; gates, cattle guards, fence cuts, or modifications to existing facilities were determined at the on-site and are typically shown on the attached Exhibits and Topo maps.

3. **Location of Existing Wells Within a 1-Mile Radius:**

Please refer to Topo Map C.

4. **Location of Existing and Proposed Facilities:**

See MDP for additional details on Existing and Proposed Facilities.

The following guidelines will apply if the well is productive.

Approximately ±1,120' of pipeline is proposed. Refer to Topo D for the existing pipeline.

Appropriate surface use agreements have been or will be obtained from the Ute Indian Tribe. Pipeline segments will be welded or zaplocked together on disturbed areas in or near the location, whenever possible, and dragged into place

5. **Location and Type of Water Supply:**

See MDP for additional details on Location and Type of Water Supply.

Water for drilling purposes will be obtained from Dalbo Inc.'s underground well located in Ouray, Utah, Sec. 32 T4S R3E, Water User Claim number 43-8496, Application number 53617. Water will be hauled to location over the roads marked on Maps A and B.

No water well is to be drilled on this lease.

6. **Source of Construction Materials:**

See MDP for additional details on Source of Construction Materials.

7. **Methods of Handling Waste Materials:**

See MDP for additional details on Methods of Handling Waste Materials.

Any produced water from the proposed well will be contained in a water tank and will then be hauled by truck to one of the pre-approved disposal sites:

RNI in Sec. 5 T9S R22E

NBU #159 in Sec. 35 T9S R21E

Ace Oilfield in Sec. 2 T6S R20E

MC&MC in Sec. 12 T6S R19E

Pipeline Facility in Sec. 36 T9S R20E

Goat Pasture Evaporation Pond in SW/4 Sec. 16 T10S R22E

Bonanza Evaporation Pond in Sec. 2 T10S R23E

8. **Ancillary Facilities:**

See MDP for additional details on Ancillary Facilities.

None are anticipated.

9. **Well Site Layout:** (See Location Layout Diagram)

See MDP for additional details on Well Site Layout.

All pits will be fenced according to the following minimum standards:

- Net wire (39-inch) will be used with at least one strand of barbed wire on top of the net wire. Barbed wire is not necessary if pipe or some type of reinforcement rod is attached to the top of the entire fence.
- The net wire shall be no more than two inches above the ground. The barbed wire shall be three inches over the net wire. Total height of the fence shall be at least 42 inches.
- Corner posts shall be cemented and/or braced in such a manner to keep the fence tight at all times.
- Standard steel, wood, or pipe posts shall be used between the corner braces. Maximum distance between any 2 fence posts shall be no greater than 16 feet.
- All wire shall be stretched, by using a stretching device, before it is attached to corner posts.

10. Plans for Reclamation of the Surface:

See MDP for additional details on Plans for Reclamation of the Surface.

Kerr-McGee shall call the BIA for the seed mixture prior to starting interim and/or final reclamation actions.

11. Surface/Mineral Ownership:

The well pad and access road are located on lands owned by:

Ute Indian Tribe
PO Box 70
Fort Duchesne, Utah 84026
435-722-5141

The mineral ownership is listed below:

United States of America
Bureau of Land Management
170 South 500 East
Vernal, UT 84078
435-781-4400

12. Other Information:

See MDP for additional details on Other Information.

13. Lessee's or Operators' Representative & Certification:

Kathy Schneebeck Dulnoan
Staff Regulatory Analyst
Kerr-McGee Oil & Gas Onshore LP
PO Box 173779
Denver, CO 80217-3779
(720) 929-6007

Tommy Thompson
General Manager, Drilling
Kerr-McGee Oil & Gas Onshore LP
PO Box 173779
Denver, CO 80217-3779
(720) 929-6724

Certification: All lease and/or unit operations will be conducted in such a manner that full compliance is made with all applicable laws, regulations, Onshore Oil and Gas Orders, the approved Plan of Operations, and any applicable Notice to Lessees.

The Operator will be fully responsible for the actions of its subcontractors. A complete copy of the approved "Application for Permit to Drill" will be furnished to the field representative(s) to ensure compliance and shall be on location during all construction and drilling operations.

Kerr-McGee Oil & Gas Onshore LP is considered to be the operator of the subject well. Kerr-McGee Oil & Gas Onshore LP agrees to be responsible under terms and conditions of the lease for the operations conducted upon leased lands.

Bond coverage pursuant to 43 CFR 3104 for lease activities is being provided by Bureau of Land Management Nationwide Bond WYB000291.

I hereby certify that I, or persons under my supervision, have inspected the proposed drill site and access route, that I am familiar with the conditions that currently exist; that I have full knowledge of the State and Federal laws applicable to this operation; that the statements made in this plan are, to the best of my knowledge, true and correct; and the work associated with the operations proposed herein will be performed in conformity with this APD package and the terms and conditions under which it is approved. I also certify that I, or the company I represent, am responsible for operations conducted under this application. These statements are subject to the provisions of 18 U.S.C. 1001 for the filing of false statements.


Kathy Schneebeck Dulnoan

July 15, 2009
Date

CLASS I REVIEW OF KERR-MCGEE OIL AND GAS
ONSHORE LP'S 88 PROPOSED WELL LOCATIONS
(T9S, R20E, SECS. 1, 14, 15, 20, 21, 22, 23, 27, 29, 32, 33, 34)
UINTAH COUNTY, UTAH

By:

Jacki A. Montgomery

Prepared For:

Ute Indian Tribe
Uintah and Ouray Agency

Prepared Under Contract With:

Kerr-McGee Oil and Gas Onshore LP
1368 South 1200 East
Vernal, Utah 84078

Prepared By:

Montgomery Archaeological Consultants, Inc.
P.O. Box 219
Moab, Utah 84532

MOAC Report No. 08-318

March 4, 2009

United States Department of Interior (FLPMA)
Permit No. 08-UT-60122

Paleontological Assessment for Anadarko Petroleum Corp.

Federal 920-23JT
Ouray Quadrangle
Uintah County, Utah

Prepared for
Anadarko Petroleum Corp.
and
Ute Tribe
Uintah and Ouray Reservation

Prepared by
SWCA Environmental Consultants
SWCA #UT09-14314-36



Grasslands Consulting, Inc.

4800 Happy Canyon Road, Suite 110, Denver, CO 80237

(303) 759-5377 Office (303) 759-5324 Fax

SPECIAL STATUS PLANT AND WILDLIFE SPECIES REPORT

Operator: Kerr-McGee Oil & Gas Onshore LP

Wells: NBU 920-23D, NBU 920-23F, NBU 920-23K, NBU 920-23L, NBU 920-23M, NBU 920-23N, Federal 920-23I, Federal 920-23JT, Federal 920-23O, and Federal 920-23-P.

Pipelines: Proposed pipelines leading to all proposed wells.

Access Roads: Access roads lead to all proposed wells.

Location: Section 23, Township 9 South, Range 20 East; Uintah County, Utah

Survey-Species: Uinta Basin Hookless Cactus (*Sclerocactus wetlandicus*) and nesting raptors

Date: 06/15/2009, 06/16/2009, and 06/18/2009

Observer(s): Grasslands Consulting, Inc. Biologists: Chris Gayer, Nick Hall, BJ Lukins, Jay Slocum, Dan Hamilton, Matt Kelahan, and Jonathan Sexauer. Technicians: Chad Johnson.

Weather: Partly cloudy, 80-85°F, 0-5 mph winds with no precipitation.

API Number: 4304750580

Well Name: Federal 920-23JT

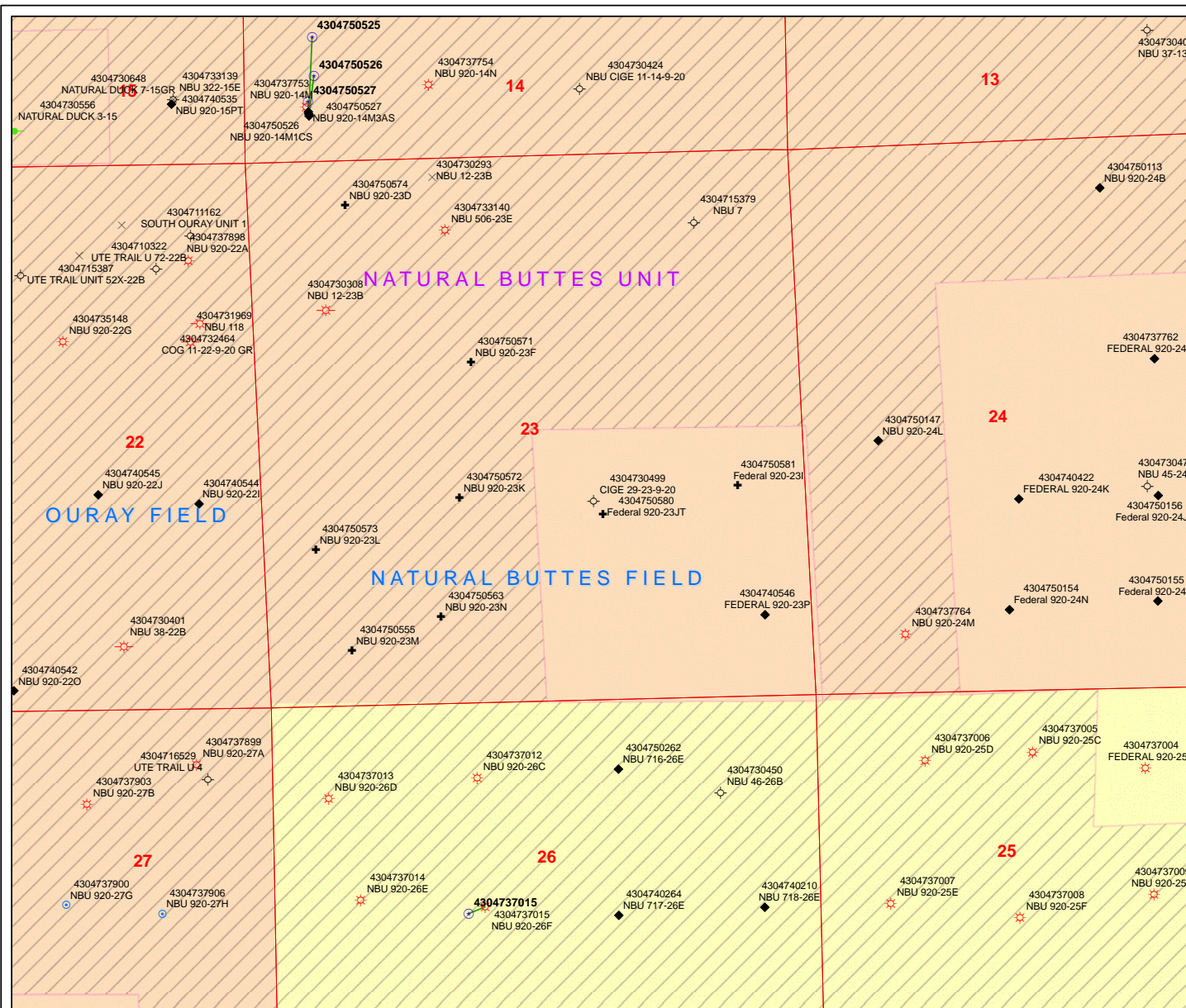
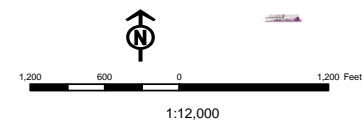
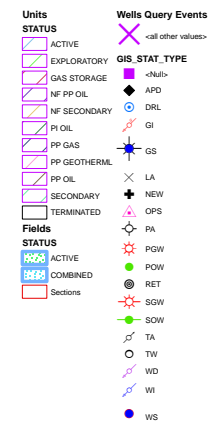
Township 09.0 S Range 20.0 E Section 23

Meridian: SLBM

Operator: KERR-MCGEE OIL & GAS ONSHORE, L.P.

Map Prepared:

Map Produced by Diana Mason



WORKSHEET

APPLICATION FOR PERMIT TO DRILL

APD RECEIVED: 7/16/2009

API NO. ASSIGNED: 43047505800000

WELL NAME: Federal 920-23JT

OPERATOR: KERR-MCGEE OIL & GAS ONSHORE, L.P. (N2995)

PHONE NUMBER: 720 929-6156

CONTACT: Danielle Piernot

PROPOSED LOCATION: NWSE 23 090S 200E

Permit Tech Review: ☒

SURFACE: 1829 FSL 2020 FEL

Engineering Review: ☒

BOTTOM: 1829 FSL 2020 FEL

Geology Review: ☒

COUNTY: UINTAH

LATITUDE: 40.01850

LONGITUDE: -109.63068

UTM SURF EASTINGS: 616858.00

NORTHINGS: 4430498.00

FIELD NAME: NATURAL BUTTES

LEASE TYPE: 1 - Federal

LEASE NUMBER: UTU 0577A

PROPOSED PRODUCING FORMATION(S): WASATCH-MESA VERDE

SURFACE OWNER: 2 - Indian

COALBED METHANE: NO

RECEIVED AND/OR REVIEWED:

☒ **PLAT**

☒ **Bond:** FEDERAL - WYB000291

☐ **Potash**

☒ **Oil Shale 190-5**

☐ **Oil Shale 190-3**

☐ **Oil Shale 190-13**

☒ **Water Permit:** Permit #43-8496

☐ **RDCC Review:**

☐ **Fee Surface Agreement**

☒ **Intent to Commingle**

Commingle Approved

LOCATION AND SITING:

☐ **R649-2-3.**

Unit:

☐ **R649-3-2. General**

☐ **R649-3-3. Exception**

☒ **Drilling Unit**

Board Cause No: Cause 173-24

Effective Date: 10/5/2009

Siting: 460' Fr Ext. Lease Boundary & Committed Tract

☐ **R649-3-11. Directional Drill**

Comments: Presite Completed

Stipulations:
3 - Commingle - ddoucet
4 - Federal Approval - dmason
17 - Oil Shale 190-5(b) - dmason
23 - Spacing - dmason



GARY R. HERBERT
Governor

GREGORY S. BELL
Lieutenant Governor

State of Utah

DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER
Executive Director

Division of Oil, Gas and Mining

JOHN R. BAZA
Division Director

Permit To Drill

Well Name: Federal 920-23JT
API Well Number: 43047505800000
Lease Number: UTU 0577A
Surface Owner: INDIAN
Approval Date: 2/25/2010

Issued to:

KERR-MCGEE OIL & GAS ONSHORE, L.P., P.O. Box 173779, Denver, CO 80217

Authority:

Pursuant to Utah Code Ann. §40-6-1 et seq., and Utah Administrative Code R649-3-1 et seq., the Utah Division of Oil, Gas and Mining issues conditions of approval, and permit to drill the listed well. This permit is issued in accordance with the requirements of Cause 173-24. The expected producing formation or pool is the WASATCH-MESA VERDE Formation(s), completion into any other zones will require filing a Sundry Notice (Form 9). Completion and commingling of more than one pool will require approval in accordance with R649-3-22.

Duration:

This approval shall expire one year from the above date unless substantial and continuous operation is underway, or a request for extension is made prior to the expiration date

Commingling:

In accordance with Board Cause No. 173-24, commingling of the production from the Wasatch formation and the Mesaverde formation in this well is allowed.

General:

Compliance with the requirements of Utah Admin. R. 649-1 et seq., the Oil and Gas Conservation General Rules, and the applicable terms and provisions of the approved Application for permit to drill.

Conditions of Approval:

State approval of this well does not supercede the required federal approval, which must be obtained prior to drilling.

In accordance with the Order in Cause No. 190-5(b) dated October 28, 1982, the operator shall comply with the requirements of Rules R649-3-31 and R649-3-27 pertaining to Designated Oil Shale Areas. Additionally, the operators shall ensure that the surface and or production casing is properly cemented over the entire oil shale section as defined by Rule R649-3-31. The Operator shall report the actual depth the oil shale is encountered to the division.

This proposed well is located in an area for which drilling units (well spacing patterns) have not been established through an order of the Board of Oil, Gas and Mining (the "Board"). In order to avoid the possibility of waste or injury to correlative rights, the operator is requested, once the well has been drilled, completed, and has produced, to analyze geological and engineering data generated therefrom, as well as any similar data from surrounding areas if available. As soon as is practicable

after completion of its analysis, and if the analysis suggests an area larger than the quarter-quarter section upon which the well is located is being drained, the operator is requested to seek an appropriate order from the Board establishing drilling and spacing units in conformance with such analysis by filing a Request for Agency Action with the Board.

Notification Requirements:

The operator is required to notify the Division of Oil, Gas and Mining of the following actions during drilling of this well:

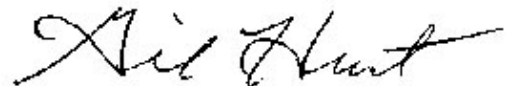
- Within 24 hours following the spudding of the well – contact Carol Daniels at 801-538-5284 (please leave a voicemail message if not available)
OR
submit an electronic sundry notice (pre-registration required) via the Utah Oil & Gas website at <https://oilgas.ogm.utah.gov>

Reporting Requirements:

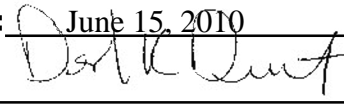
All reports, forms and submittals as required by the Utah Oil and Gas Conservation General Rules will be promptly filed with the Division of Oil, Gas and Mining, including but not limited to:

- Entity Action Form (Form 6) – due within 5 days of spudding the well
- Monthly Status Report (Form 9) – due by 5th day of the following calendar month
- Requests to Change Plans (Form 9) – due prior to implementation
- Written Notice of Emergency Changes (Form 9) – due within 5 days
- Notice of Operations Suspension or Resumption (Form 9) – due prior to implementation
- Report of Water Encountered (Form 7) – due within 30 days after completion
- Well Completion Report (Form 8) – due within 30 days after completion or plugging

Approved By:

A handwritten signature in black ink, appearing to read "Gil Hunt", with a stylized, flowing script.

Gil Hunt
Associate Director, Oil & Gas

STATE OF UTAH DEPARTMENT OF NATURAL RESOURCES DIVISION OF OIL, GAS, AND MINING		FORM 9
SUNDRY NOTICES AND REPORTS ON WELLS Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.		5. LEASE DESIGNATION AND SERIAL NUMBER: UTU 0577A
1. TYPE OF WELL Gas Well		6. IF INDIAN, ALLOTTEE OR TRIBE NAME: Ute Tr
2. NAME OF OPERATOR: KERR-MCGEE OIL & GAS ONSHORE, L.P.		7. UNIT or CA AGREEMENT NAME:
3. ADDRESS OF OPERATOR: P.O. Box 173779 1099 18th Street, Suite 600, Denver, CO, 80217 3779		8. WELL NAME and NUMBER: Federal 920-23JT
4. LOCATION OF WELL FOOTAGES AT SURFACE: 1829 FSL 2020 FEL QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: Qtr/Qtr: NWSE Section: 23 Township: 09.0S Range: 20.0E Meridian: S		9. API NUMBER: 43047505800000
PHONE NUMBER: 720 929-6007 Ext		9. FIELD and POOL or WILDCAT: NATURAL BUTTES
COUNTY: UINTAH		STATE: UTAH
11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA		
TYPE OF SUBMISSION	TYPE OF ACTION	
<input checked="" type="checkbox"/> NOTICE OF INTENT Approximate date work will start: 6/21/2010 <input type="checkbox"/> SUBSEQUENT REPORT Date of Work Completion: <input type="checkbox"/> SPUD REPORT Date of Spud: <input type="checkbox"/> DRILLING REPORT Report Date:	<div style="display: flex; flex-wrap: wrap;"> <div style="width: 33%;"> <input type="checkbox"/> ACIDIZE <input type="checkbox"/> CHANGE TO PREVIOUS PLANS <input type="checkbox"/> CHANGE WELL STATUS <input type="checkbox"/> DEEPEN <input type="checkbox"/> OPERATOR CHANGE <input type="checkbox"/> PRODUCTION START OR RESUME <input type="checkbox"/> REPERFORATE CURRENT FORMATION <input type="checkbox"/> TUBING REPAIR <input type="checkbox"/> WATER SHUTOFF <input type="checkbox"/> WILDCAT WELL DETERMINATION </div> <div style="width: 33%;"> <input checked="" type="checkbox"/> ALTER CASING <input type="checkbox"/> CHANGE TUBING <input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS <input type="checkbox"/> FRACTURE TREAT <input type="checkbox"/> PLUG AND ABANDON <input type="checkbox"/> RECLAMATION OF WELL SITE <input type="checkbox"/> SIDETRACK TO REPAIR WELL <input type="checkbox"/> VENT OR FLARE <input type="checkbox"/> SI TA STATUS EXTENSION <input checked="" type="checkbox"/> OTHER </div> <div style="width: 33%;"> <input type="checkbox"/> CASING REPAIR <input type="checkbox"/> CHANGE WELL NAME <input type="checkbox"/> CONVERT WELL TYPE <input type="checkbox"/> NEW CONSTRUCTION <input type="checkbox"/> PLUG BACK <input type="checkbox"/> RECOMPLETE DIFFERENT FORMATION <input type="checkbox"/> TEMPORARY ABANDON <input type="checkbox"/> WATER DISPOSAL <input type="checkbox"/> APD EXTENSION OTHER: _____ </div> </div>	
12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc. Kerr-McGee Oil & Gas Onshore LP (Kerr-McGee) respectfully requests to change the surface casing size for this well from FROM: 9-5/8" TO: 8-5/8". Additionally, Kerr-McGee requests to change the cement program for this well due to a revised drilling procedure. The production casing will still be cemented it's entire length to the surface. Please see the attached drilling program for additional details. All other information remains the same. Please contact the undersigned with any questions and/or comments. Thank you.		
Accepted by the Utah Division of Oil, Gas and Mining Date: June 15, 2010 By: 		
NAME (PLEASE PRINT) Danielle Piernot	PHONE NUMBER 720 929-6156	TITLE Regulatory Analyst
SIGNATURE N/A	DATE 6/14/2010	

RECEIVED June 14, 2010

KERR-McGEE OIL & GAS ONSHORE LP
DRILLING PROGRAM

COMPANY NAME	KERR-McGEE OIL & GAS ONSHORE LP	DATE	June 14, 2010
WELL NAME	Federal 920-23JT	TD	10,448' MD/TVD
FIELD	Natural Buttes	COUNTY	Uintah
		STATE	Utah
		FINISHED ELEVATION	4,847'
SURFACE LOCATION	NW/4 SE/4 1,829' FSL 2,020' FEL	Sec 23 T 9S R 20E	BHL Straight Hole
	Latitude: 40.018505	Longitude: -109.631256	NAD 83
OBJECTIVE ZONE(S)	Wasatch/Mesaverde		
ADDITIONAL INFO	Regulatory Agencies: BLM (MINERALS), Ute Tribe (SURFACE), UDOGM, Tri-County Health Dept.		

GEOLOGICAL			MECHANICAL		
LOGS	FORMATION		HOLE SIZE	CASING SIZE	MUD WEIGHT
	TOPS	DEPTH			
		40'		14"	
			11"	8-5/8", 28#, IJ-55, LTC	Air mist
All water flows encountered while drilling will be reported to the appropriate agencies.					
	Green River @	1,696'			
	Top of Birds Nest Water @	1,940'			
	Mahogany @	2,452'			
	Preset f/ GL @				
	2,600' MD				
Note: 11" surface hole will usually be drilled ±400' below the bottom of lost circulation zone. Drilled depth may be ±200' of the estimated set depth depending on the actual depth of the loss zone.					
Mud logging program TBD Open hole logging program from TD - surf csg			7-7/8"	4-1/2" 11.6# HCP-110 & I-80 or equivalent BTC/LTC casing	Water/Fresh Water Mud 8.3-12.2 ppg
	Wasatch @	5,059'			
	Mverde @	8,292'			
	MVU2 @	9,230'			
	MVL1 @	9,639'			
	TD @	10,448'			Max anticipated Mud required 12.2 ppg



KERR-McGEE OIL & GAS ONSHORE LP DRILLING PROGRAM

CASING PROGRAM

	SIZE	INTERVAL	WT.	GR.	CPLG.	DESIGN FACTORS		
						BURST	COLLAPSE	TENSION
CONDUCTOR	14"	0-40'				3,390	1,880	348,000
SURFACE	8-5/8"	0 to 2600	28.00	IJ-55	LTC	0.78*	1.55	4.78
						7,780	6,350	278,000
PRODUCTION	4-1/2"	0 to 9600	11.60	I-80	BTC	1.80	1.04	2.82
						10,690	8,650	279,000
		9600 to 10448	11.60	HCP-110	LTC	2.47	1.31	34.86

*Burst on surface casing is controlled by fracture gradient as shoe with gas gradient above.

D.F. = 2.07

1) Max Anticipated Surf. Press. (MASP) (Surf Csg) = (Pore Pressure at next csg point - (0.22 psi/ft-partial evac grad x TVD of next csg point))

2) MASP (Prod Casing) = Pore Pressure at TD - (0.22 psi/ft-partial evac gradient x TD)

(Burst Assumptions: TD = 12.2 ppg)

0.22 psi/ft = gradient for partially evac wellbore

(Collapse Assumption: Fully Evacuated Casing, Max MW)

(Tension Assumptions: Air Weight of Casing*Buoy.Fact. of water)

MASP 4,211 psi

3) Maximum Anticipated Bottom Hole Pressure (MABHP) = Pore Pressure at TD

(Burst Assumptions: TD = 12.2 ppg)

0.62 psi/ft = bottomhole gradient

(Collapse Assumption: Fully Evacuated Casing, Max MW)

(Tension Assumptions: Air Weight of Casing*Buoy.Fact. of water)

MABHP 6,509 psi

CEMENT PROGRAM

	FT. OF FILL	DESCRIPTION	SACKS	EXCESS	WEIGHT	YIELD
SURFACE LEAD	500'	Premium cmt + 2% CaCl	180	60%	15.80	1.15
Option 1		+ 0.25 pps flocele				
TOP OUT CMT (6 jobs)	1,200'	20 gals sodium silicate + Premium cmt	270	0%	15.80	1.15
		+ 2% CaCl + 0.25 pps flocele				
SURFACE Option 2	NOTE: If well will circulate water to surface, option 2 will be utilized					
LEAD	2,100'	Prem cmt + 16% Gel + 10 pps gilsonite	190	35%	11.00	3.82
		+ 0.25 pps Flocele + 3% salt BWOC				
TAIL	500	Premium cmt + 2% CaCl	150	35%	15.80	1.15
		+ 0.25 pps flocele				
TOP OUT CMT	as required	Premium cmt + 2% CaCl	as req.		15.80	1.15
PRODUCTION LEAD	4,558'	Premium Lite II + 3% KCl + 0.25 pps	370	40%	11.00	3.38
		celloflake + 5 pps gilsonite + 10% gel				
		+ 0.5% extender				
TAIL	5,890'	50/50 Poz/G + 10% salt + 2% gel	1,440	40%	14.30	1.31
		+ 0.1% R-3				

*Substitute caliper hole volume plus 0% excess for LEAD if accurate caliper is obtained

*Substitute caliper hole volume plus 10% excess for TAIL if accurate caliper is obtained

FLOAT EQUIPMENT & CENTRALIZERS

SURFACE	Guide shoe, 1 jt, insert float. Centralize first 3 joints with bow spring centralizers. Thread lock guide shoe.
PRODUCTION	Float shoe, 1 jt, float collar. Centralize first 3 joints & every third joint for a total of 15 bow spring centralizers.

ADDITIONAL INFORMATION

Test casing head to 750 psi after installing. Test surface casing to 1,500 psi prior to drilling out.

BOPE: 11" 5M with one annular and 2 rams. The BOPE will be installed before the production hole is drilled and tested to 5,000 psi (annular to 2,500 psi) prior to drilling out the surface casing shoe. Record on chart recorder and tour sheet. Function test rams on each trip. Maintain safety valve and inside BOP on rig floor at all times. Most rigs have top drives; however, if used, the Kelly is to be equipped with upper and lower kelly valves.

Drop Totco surveys every 2000'. Maximum allowable hole angle is 5 degrees.

Most rigs have PVT Systems for mud monitoring. If no PVT is available, visual monitoring will be utilized.

DRILLING ENGINEER:

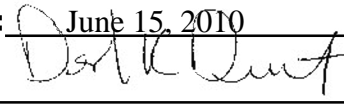
John Huycke / Emile Goodwin

DATE:

DRILLING SUPERINTENDENT:

John Merkel / Lovel Young

DATE:

STATE OF UTAH DEPARTMENT OF NATURAL RESOURCES DIVISION OF OIL, GAS, AND MINING		FORM 9			
SUNDRY NOTICES AND REPORTS ON WELLS Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.		5. LEASE DESIGNATION AND SERIAL NUMBER: UTU 0577A			
1. TYPE OF WELL Gas Well		6. IF INDIAN, ALLOTTEE OR TRIBE NAME: Ute Tr			
2. NAME OF OPERATOR: KERR-MCGEE OIL & GAS ONSHORE, L.P.		7. UNIT or CA AGREEMENT NAME:			
3. ADDRESS OF OPERATOR: P.O. Box 173779 1099 18th Street, Suite 600, Denver, CO, 80217 3779		8. WELL NAME and NUMBER: Federal 920-23JT			
4. LOCATION OF WELL FOOTAGES AT SURFACE: 1829 FSL 2020 FEL QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: Qtr/Qtr: NWSE Section: 23 Township: 09.0S Range: 20.0E Meridian: S		9. API NUMBER: 43047505800000			
PHONE NUMBER: 720 929-6007 Ext		9. FIELD and POOL or WILDCAT: NATURAL BUTTES			
COUNTY: UINTAH		STATE: UTAH			
11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA					
TYPE OF SUBMISSION	TYPE OF ACTION				
<input checked="" type="checkbox"/> NOTICE OF INTENT Approximate date work will start: 6/21/2010 <input type="checkbox"/> SUBSEQUENT REPORT Date of Work Completion: <input type="checkbox"/> SPUD REPORT Date of Spud: <input type="checkbox"/> DRILLING REPORT Report Date:	<table style="width: 100%; border: none;"> <tr> <td style="width: 33%; vertical-align: top;"> <input type="checkbox"/> ACIDIZE <input type="checkbox"/> CHANGE TO PREVIOUS PLANS <input type="checkbox"/> CHANGE WELL STATUS <input type="checkbox"/> DEEPEN <input type="checkbox"/> OPERATOR CHANGE <input type="checkbox"/> PRODUCTION START OR RESUME <input type="checkbox"/> REPERFORATE CURRENT FORMATION <input type="checkbox"/> TUBING REPAIR <input type="checkbox"/> WATER SHUTOFF <input type="checkbox"/> WILDCAT WELL DETERMINATION </td> <td style="width: 33%; vertical-align: top;"> <input checked="" type="checkbox"/> ALTER CASING <input type="checkbox"/> CHANGE TUBING <input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS <input type="checkbox"/> FRACTURE TREAT <input type="checkbox"/> PLUG AND ABANDON <input type="checkbox"/> RECLAMATION OF WELL SITE <input type="checkbox"/> SIDETRACK TO REPAIR WELL <input type="checkbox"/> VENT OR FLARE <input type="checkbox"/> SI TA STATUS EXTENSION <input checked="" type="checkbox"/> OTHER </td> <td style="width: 33%; vertical-align: top;"> <input type="checkbox"/> CASING REPAIR <input type="checkbox"/> CHANGE WELL NAME <input type="checkbox"/> CONVERT WELL TYPE <input type="checkbox"/> NEW CONSTRUCTION <input type="checkbox"/> PLUG BACK <input type="checkbox"/> RECOMPLETE DIFFERENT FORMATION <input type="checkbox"/> TEMPORARY ABANDON <input type="checkbox"/> WATER DISPOSAL <input type="checkbox"/> APD EXTENSION OTHER: _____ </td> </tr> </table>		<input type="checkbox"/> ACIDIZE <input type="checkbox"/> CHANGE TO PREVIOUS PLANS <input type="checkbox"/> CHANGE WELL STATUS <input type="checkbox"/> DEEPEN <input type="checkbox"/> OPERATOR CHANGE <input type="checkbox"/> PRODUCTION START OR RESUME <input type="checkbox"/> REPERFORATE CURRENT FORMATION <input type="checkbox"/> TUBING REPAIR <input type="checkbox"/> WATER SHUTOFF <input type="checkbox"/> WILDCAT WELL DETERMINATION	<input checked="" type="checkbox"/> ALTER CASING <input type="checkbox"/> CHANGE TUBING <input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS <input type="checkbox"/> FRACTURE TREAT <input type="checkbox"/> PLUG AND ABANDON <input type="checkbox"/> RECLAMATION OF WELL SITE <input type="checkbox"/> SIDETRACK TO REPAIR WELL <input type="checkbox"/> VENT OR FLARE <input type="checkbox"/> SI TA STATUS EXTENSION <input checked="" type="checkbox"/> OTHER	<input type="checkbox"/> CASING REPAIR <input type="checkbox"/> CHANGE WELL NAME <input type="checkbox"/> CONVERT WELL TYPE <input type="checkbox"/> NEW CONSTRUCTION <input type="checkbox"/> PLUG BACK <input type="checkbox"/> RECOMPLETE DIFFERENT FORMATION <input type="checkbox"/> TEMPORARY ABANDON <input type="checkbox"/> WATER DISPOSAL <input type="checkbox"/> APD EXTENSION OTHER: _____
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12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc. Kerr-McGee Oil & Gas Onshore LP (Kerr-McGee) respectfully requests to change the surface casing size for this well from FROM: 9-5/8" TO: 8-5/8". Additionally, Kerr-McGee requests to change the cement program for this well due to a revised drilling procedure. The production casing will still be cemented it's entire length to the surface. Please see the attached drilling program for additional details. All other information remains the same. Please contact the undersigned with any questions and/or comments. Thank you.					
Accepted by the Utah Division of Oil, Gas and Mining Date: June 15, 2010 By: 					
NAME (PLEASE PRINT) Danielle Piernot	PHONE NUMBER 720 929-6156	TITLE Regulatory Analyst			
SIGNATURE N/A	DATE 6/14/2010				

RECEIVED June 14, 2010

KERR-McGEE OIL & GAS ONSHORE LP
DRILLING PROGRAM

COMPANY NAME	KERR-McGEE OIL & GAS ONSHORE LP	DATE	June 14, 2010
WELL NAME	Federal 920-23JT	TD	10,448' MD/TVD
FIELD	Natural Buttes	COUNTY	Uintah
		STATE	Utah
		FINISHED ELEVATION	4,847'
SURFACE LOCATION	NW/4 SE/4 1,829' FSL 2,020' FEL	Sec 23 T 9S R 20E	BHL Straight Hole
	Latitude: 40.018505 Longitude: -109.631256		NAD 83
OBJECTIVE ZONE(S)	Wasatch/Mesaverde		
ADDITIONAL INFO	Regulatory Agencies: BLM (MINERALS), Ute Tribe (SURFACE), UDOGM, Tri-County Health Dept.		

GEOLOGICAL			MECHANICAL		
LOGS	FORMATION		HOLE SIZE	CASING SIZE	MUD WEIGHT
	TOPS	DEPTH			
		40'		14"	
			11"	8-5/8", 28#, IJ-55, LTC	Air mist
All water flows encountered while drilling will be reported to the appropriate agencies.					
	Green River @	1,696'			
	Top of Birds Nest Water @	1,940'			
	Mahogany @	2,452'			
	Preset f/ GL @				
	2,600' MD				
Note: 11" surface hole will usually be drilled ±400' below the bottom of lost circulation zone. Drilled depth may be ±200' of the estimated set depth depending on the actual depth of the loss zone.					
Mud logging program TBD Open hole logging program from TD - surf csg			7-7/8"	4-1/2" 11.6# HCP-110 & I-80 or equivalent BTC/LTC casing	Water/Fresh Water Mud 8.3-12.2 ppg
	Wasatch @	5,059'			
	Mverde @	8,292'			
	MVU2 @	9,230'			
	MVL1 @	9,639'			
	TD @	10,448'			Max anticipated Mud required 12.2 ppg



KERR-McGEE OIL & GAS ONSHORE LP DRILLING PROGRAM

CASING PROGRAM

	SIZE	INTERVAL	WT.	GR.	CPLG.	DESIGN FACTORS		
						BURST	COLLAPSE	TENSION
CONDUCTOR	14"	0-40'				3,390	1,880	348,000
SURFACE	8-5/8"	0 to 2600	28.00	IJ-55	LTC	0.78*	1.55	4.78
						7,780	6,350	278,000
PRODUCTION	4-1/2"	0 to 9600	11.60	I-80	BTC	1.80	1.04	2.82
						10,690	8,650	279,000
		9600 to 10448	11.60	HCP-110	LTC	2.47	1.31	34.86

*Burst on surface casing is controlled by fracture gradient as shoe with gas gradient above.

D.F. = 2.07

1) Max Anticipated Surf. Press. (MASP) (Surf Csg) = (Pore Pressure at next csg point - (0.22 psi/ft-partial evac grad x TVD of next csg point))

2) MASP (Prod Casing) = Pore Pressure at TD - (0.22 psi/ft-partial evac gradient x TD)

(Burst Assumptions: TD = 12.2 ppg)

0.22 psi/ft = gradient for partially evac wellbore

(Collapse Assumption: Fully Evacuated Casing, Max MW)

(Tension Assumptions: Air Weight of Casing*Buoy.Fact. of water)

MASP 4,211 psi

3) Maximum Anticipated Bottom Hole Pressure (MABHP) = Pore Pressure at TD

(Burst Assumptions: TD = 12.2 ppg)

0.62 psi/ft = bottomhole gradient

(Collapse Assumption: Fully Evacuated Casing, Max MW)

(Tension Assumptions: Air Weight of Casing*Buoy.Fact. of water)

MABHP 6,509 psi

CEMENT PROGRAM

	FT. OF FILL	DESCRIPTION	SACKS	EXCESS	WEIGHT	YIELD
SURFACE LEAD	500'	Premium cmt + 2% CaCl	180	60%	15.80	1.15
Option 1		+ 0.25 pps flocele				
TOP OUT CMT (6 jobs)	1,200'	20 gals sodium silicate + Premium cmt	270	0%	15.80	1.15
		+ 2% CaCl + 0.25 pps flocele				
SURFACE Option 2	NOTE: If well will circulate water to surface, option 2 will be utilized					
LEAD	2,100'	Prem cmt + 16% Gel + 10 pps gilsonite	190	35%	11.00	3.82
		+ 0.25 pps Flocele + 3% salt BWOC				
TAIL	500	Premium cmt + 2% CaCl	150	35%	15.80	1.15
		+ 0.25 pps flocele				
TOP OUT CMT	as required	Premium cmt + 2% CaCl	as req.		15.80	1.15
PRODUCTION LEAD	4,558'	Premium Lite II + 3% KCl + 0.25 pps	370	40%	11.00	3.38
		celloflake + 5 pps gilsonite + 10% gel				
		+ 0.5% extender				
TAIL	5,890'	50/50 Poz/G + 10% salt + 2% gel	1,440	40%	14.30	1.31
		+ 0.1% R-3				

*Substitute caliper hole volume plus 0% excess for LEAD if accurate caliper is obtained

*Substitute caliper hole volume plus 10% excess for TAIL if accurate caliper is obtained

FLOAT EQUIPMENT & CENTRALIZERS

SURFACE	Guide shoe, 1 jt, insert float. Centralize first 3 joints with bow spring centralizers. Thread lock guide shoe.
PRODUCTION	Float shoe, 1 jt, float collar. Centralize first 3 joints & every third joint for a total of 15 bow spring centralizers.

ADDITIONAL INFORMATION

Test casing head to 750 psi after installing. Test surface casing to 1,500 psi prior to drilling out.

BOPE: 11" 5M with one annular and 2 rams. The BOPE will be installed before the production hole is drilled and tested to 5,000 psi (annular to 2,500 psi) prior to drilling out the surface casing shoe. Record on chart recorder and tour sheet. Function test rams on each trip. Maintain safety valve and inside BOP on rig floor at all times. Most rigs have top drives; however, if used, the Kelly is to be equipped with upper and lower kelly valves.

Drop Totco surveys every 2000'. Maximum allowable hole angle is 5 degrees.

Most rigs have PVT Systems for mud monitoring. If no PVT is available, visual monitoring will be utilized.

DRILLING ENGINEER:

John Huycke / Emile Goodwin

DATE:

DRILLING SUPERINTENDENT:

John Merkel / Lovel Young

DATE:

STATE OF UTAH DEPARTMENT OF NATURAL RESOURCES DIVISION OF OIL, GAS, AND MINING		FORM 9
SUNDRY NOTICES AND REPORTS ON WELLS Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.		5. LEASE DESIGNATION AND SERIAL NUMBER: UTU 0577A
1. TYPE OF WELL Gas Well		6. IF INDIAN, ALLOTTEE OR TRIBE NAME: Ute Tr
2. NAME OF OPERATOR: KERR-MCGEE OIL & GAS ONSHORE, L.P.		7. UNIT or CA AGREEMENT NAME:
3. ADDRESS OF OPERATOR: P.O. Box 173779 1099 18th Street, Suite 600, Denver, CO, 80217 3779		8. WELL NAME and NUMBER: FEDERAL 920-23JT
4. LOCATION OF WELL FOOTAGES AT SURFACE: 1829 FSL 2020 FEL QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: Qtr/Qtr: NWSE Section: 23 Township: 09.0S Range: 20.0E Meridian: S		9. API NUMBER: 43047505800000
PHONE NUMBER: 720 929-6515 Ext		9. FIELD and POOL or WILDCAT: NATURAL BUTTES
COUNTY: UINTAH		STATE: UTAH

11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION		
<input checked="" type="checkbox"/> NOTICE OF INTENT Approximate date work will start: 2/28/2011 <input type="checkbox"/> SUBSEQUENT REPORT Date of Work Completion: <input type="checkbox"/> SPUD REPORT Date of Spud: <input type="checkbox"/> DRILLING REPORT Report Date:	<input type="checkbox"/> ACIDIZE <input type="checkbox"/> CHANGE TO PREVIOUS PLANS <input type="checkbox"/> CHANGE WELL STATUS <input type="checkbox"/> DEEPEN <input type="checkbox"/> OPERATOR CHANGE <input type="checkbox"/> PRODUCTION START OR RESUME <input type="checkbox"/> REPERFORATE CURRENT FORMATION <input type="checkbox"/> TUBING REPAIR <input type="checkbox"/> WATER SHUTOFF <input type="checkbox"/> WILDCAT WELL DETERMINATION	<input type="checkbox"/> ALTER CASING <input type="checkbox"/> CHANGE TUBING <input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS <input type="checkbox"/> FRACTURE TREAT <input type="checkbox"/> PLUG AND ABANDON <input type="checkbox"/> RECLAMATION OF WELL SITE <input type="checkbox"/> SIDETRACK TO REPAIR WELL <input type="checkbox"/> VENT OR FLARE <input type="checkbox"/> SI TA STATUS EXTENSION <input type="checkbox"/> OTHER	<input type="checkbox"/> CASING REPAIR <input type="checkbox"/> CHANGE WELL NAME <input type="checkbox"/> CONVERT WELL TYPE <input type="checkbox"/> NEW CONSTRUCTION <input type="checkbox"/> PLUG BACK <input type="checkbox"/> RECOMPLETE DIFFERENT FORMATION <input type="checkbox"/> TEMPORARY ABANDON <input type="checkbox"/> WATER DISPOSAL <input checked="" type="checkbox"/> APD EXTENSION OTHER:

12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.
 Kerr-McGee Oil & Gas Onshore, L.P. (Kerr-McGee) respectfully requests an extension to this APD for the maximum time allowed. Please contact the undersigned with any questions and/or comments. Thank you.

Approved by the
Utah Division of
Oil, Gas and Mining

Date: 03/01/2011

By:

NAME (PLEASE PRINT) Danielle Piernot	PHONE NUMBER 720 929-6156	TITLE Regulatory Analyst
SIGNATURE N/A	DATE 2/28/2011	



The Utah Division of Oil, Gas, and Mining

- State of Utah
- Department of Natural Resources

Electronic Permitting System - Sundry Notices

Request for Permit Extension Validation Well Number 43047505800000

API: 43047505800000

Well Name: FEDERAL 920-23JT

Location: 1829 FSL 2020 FEL QTR NWSE SEC 23 TWNP 090S RNG 200E MER S

Company Permit Issued to: KERR-MCGEE OIL & GAS ONSHORE, L.P.

Date Original Permit Issued: 2/25/2010

The undersigned as owner with legal rights to drill on the property as permitted above, hereby verifies that the information as submitted in the previously approved application to drill, remains valid and does not require revision. Following is a checklist of some items related to the application, which should be verified.

- If located on private land, has the ownership changed, if so, has the surface agreement been updated? ☐ Yes ☒ No
- Have any wells been drilled in the vicinity of the proposed well which would affect the spacing or siting requirements for this location? ☐ Yes ☒ No
- Has there been any unit or other agreements put in place that could affect the permitting or operation of this proposed well? ☐ Yes ☒ No
- Have there been any changes to the access route including ownership, or rightof- way, which could affect the proposed location? ☐ Yes ☒ No
- Has the approved source of water for drilling changed? ☐ Yes ☒ No
- Have there been any physical changes to the surface location or access route which will require a change in plans from what was discussed at the onsite evaluation? ☐ Yes ☒ No
- Is bonding still in place, which covers this proposed well? ☒ Yes ☐ No

Signature: Danielle Piernot

Date: 2/28/2011

Title: Regulatory Analyst **Representing:** KERR-MCGEE OIL & GAS ONSHORE, L.P.

RECEIVED Feb. 28, 2011

STATE OF UTAH DEPARTMENT OF NATURAL RESOURCES DIVISION OF OIL, GAS, AND MINING		FORM 9			
SUNDRY NOTICES AND REPORTS ON WELLS Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.		5. LEASE DESIGNATION AND SERIAL NUMBER: UTU 0577A			
1. TYPE OF WELL Gas Well		6. IF INDIAN, ALLOTTEE OR TRIBE NAME: Ute Tr			
2. NAME OF OPERATOR: KERR-MCGEE OIL & GAS ONSHORE, L.P.		7. UNIT or CA AGREEMENT NAME:			
3. ADDRESS OF OPERATOR: P.O. Box 173779 1099 18th Street, Suite 600, Denver, CO, 80217 3779		8. WELL NAME and NUMBER: FEDERAL 920-23JT			
4. LOCATION OF WELL FOOTAGES AT SURFACE: 1829 FSL 2020 FEL QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: Qtr/Qtr: NWSE Section: 23 Township: 09.0S Range: 20.0E Meridian: S		9. API NUMBER: 43047505800000			
9. FIELD and POOL or WILDCAT: NATURAL BUTTES		COUNTY: UINTAH			
STATE: UTAH					
11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA					
TYPE OF SUBMISSION	TYPE OF ACTION				
<input checked="" type="checkbox"/> NOTICE OF INTENT Approximate date work will start: 4/12/2011 <input type="checkbox"/> SUBSEQUENT REPORT Date of Work Completion: <input type="checkbox"/> SPUD REPORT Date of Spud: <input type="checkbox"/> DRILLING REPORT Report Date:	<table style="width: 100%; border: none;"> <tr> <td style="width: 33%; vertical-align: top;"> <input type="checkbox"/> ACIDIZE <input type="checkbox"/> CHANGE TO PREVIOUS PLANS <input type="checkbox"/> CHANGE WELL STATUS <input checked="" type="checkbox"/> DEEPEN <input type="checkbox"/> OPERATOR CHANGE <input type="checkbox"/> PRODUCTION START OR RESUME <input type="checkbox"/> REPERFORATE CURRENT FORMATION <input type="checkbox"/> TUBING REPAIR <input type="checkbox"/> WATER SHUTOFF <input type="checkbox"/> WILDCAT WELL DETERMINATION </td> <td style="width: 33%; vertical-align: top;"> <input type="checkbox"/> ALTER CASING <input type="checkbox"/> CHANGE TUBING <input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS <input type="checkbox"/> FRACTURE TREAT <input type="checkbox"/> PLUG AND ABANDON <input type="checkbox"/> RECLAMATION OF WELL SITE <input type="checkbox"/> SIDETRACK TO REPAIR WELL <input type="checkbox"/> VENT OR FLARE <input type="checkbox"/> SI TA STATUS EXTENSION <input type="checkbox"/> OTHER </td> <td style="width: 33%; vertical-align: top;"> <input type="checkbox"/> CASING REPAIR <input type="checkbox"/> CHANGE WELL NAME <input type="checkbox"/> CONVERT WELL TYPE <input type="checkbox"/> NEW CONSTRUCTION <input type="checkbox"/> PLUG BACK <input type="checkbox"/> RECOMPLETE DIFFERENT FORMATION <input type="checkbox"/> TEMPORARY ABANDON <input type="checkbox"/> WATER DISPOSAL <input type="checkbox"/> APD EXTENSION OTHER: </td> </tr> </table>		<input type="checkbox"/> ACIDIZE <input type="checkbox"/> CHANGE TO PREVIOUS PLANS <input type="checkbox"/> CHANGE WELL STATUS <input checked="" type="checkbox"/> DEEPEN <input type="checkbox"/> OPERATOR CHANGE <input type="checkbox"/> PRODUCTION START OR RESUME <input type="checkbox"/> REPERFORATE CURRENT FORMATION <input type="checkbox"/> TUBING REPAIR <input type="checkbox"/> WATER SHUTOFF <input type="checkbox"/> WILDCAT WELL DETERMINATION	<input type="checkbox"/> ALTER CASING <input type="checkbox"/> CHANGE TUBING <input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS <input type="checkbox"/> FRACTURE TREAT <input type="checkbox"/> PLUG AND ABANDON <input type="checkbox"/> RECLAMATION OF WELL SITE <input type="checkbox"/> SIDETRACK TO REPAIR WELL <input type="checkbox"/> VENT OR FLARE <input type="checkbox"/> SI TA STATUS EXTENSION <input type="checkbox"/> OTHER	<input type="checkbox"/> CASING REPAIR <input type="checkbox"/> CHANGE WELL NAME <input type="checkbox"/> CONVERT WELL TYPE <input type="checkbox"/> NEW CONSTRUCTION <input type="checkbox"/> PLUG BACK <input type="checkbox"/> RECOMPLETE DIFFERENT FORMATION <input type="checkbox"/> TEMPORARY ABANDON <input type="checkbox"/> WATER DISPOSAL <input type="checkbox"/> APD EXTENSION OTHER:
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12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc. Kerr-McGee Oil & Gas Onshore, L.P. (Kerr-McGee) respectfully requests to change the total depth (TD) to include the Blackhawk formation, which is in the Mesaverde group for this well. Please see attached for additional details. Please contact the undersigned if you have any questions and/or comments. <div style="text-align: center;">Thank you.</div> <div style="text-align: right; margin-top: 20px;"> Approved by the Utah Division of Oil, Gas and Mining Date: 04/14/2011 By: </div>					
NAME (PLEASE PRINT) Andy Lytle		PHONE NUMBER 720 929-6100			
SIGNATURE N/A		TITLE Regulatory Analyst			
DATE 4/12/2011					



KERR-McGEE OIL & GAS ONSHORE LP
DRILLING PROGRAM

COMPANY NAME	KERR-McGEE OIL & GAS ONSHORE LP				DATE	April 12, 2011	
WELL NAME	FEDERAL 920-23JT				TD	11,565'	11,565' MD
FIELD	Natural Buttes	COUNTY	Uintah	STATE	Utah	FINISHED ELEVATION	4,825'
SURFACE LOCATION	NWSE	1829 FSL	2020 FEL	Sec 23	T 9S	R 20E	
	Latitude:	40.018505	Longitude:	-109.631256	NAD 27		
BTM HOLE LOCATION	NWSE	1829 FSL	2020 FEL	Sec 23	T 9S	R 20E	
	Latitude:	40.018505	Longitude:	-109.631256	NAD 27		
OBJECTIVE ZONE(S)	Wasatch/Mesaverde						
ADDITIONAL INFO	Regulatory Agencies: BLM (Minerals), TRIBAL (Surface), UDOGM Tri-County Health Dept.						

GEOLOGICAL			MECHANICAL		
LOGS	FORMATION	DEPTH	HOLE SIZE	CASING SIZE	MUD WEIGHT
		40'		14"	
<p>All water flows encountered while drilling will be reported to the appropriate agencies.</p> <p>Green River @ 1,712'</p> <p>Top of Birds Nest @ 1,920'</p> <p>Mahogany @ 2,336'</p> <p>Preset f/ GL @ 2,790' MD</p> <p>Note: 11" surface hole will usually be drilled ±400' below the lost circulation zone (aka bird's nest). Drilled depth may be ±200' of the estimated set depth depending on the actual depth of the loss zone.</p> <p>Wasatch @ 5,077'</p> <p>Mud logging program TBD</p> <p>Cased hole logging program from TD - surf csg</p> <p>Mverde 8,311' TVD</p> <p>MVU2 @ 9,325' TVD</p> <p>MVU1 @ 9,816' TVD</p> <p>Sego @ 10,562' TVD</p> <p>Castlegate @ 10,612' TVD</p> <p>MN5 @ 10,965' TVD</p> <p>Max anticipated Mud required 13.0 ppg</p> <p>TD @ 11,565' MD</p>			11.00'	8-5/8", 28#, IJ-55, LTC	Air mist
			7-7/8"	4-1/2" 11.6# HCP-110 or equivalent BTC/LTC csg	Water / Fresh Water Mud 8.3-12.0 ppg



KERR-McGEE OIL & GAS ONSHORE LP

DRILLING PROGRAM

CASING PROGRAM

CASING PROGRAM						DESIGN FACTORS			
						LTC		BTC	
	SIZE	INTERVAL		WT.	GR.	CPLG.	BURST	COLLAPSE	TENSION
CONDUCTOR	14"	0-40'							
							3,390	1,880	348,000
SURFACE	8-5/8"	0	to 2,790	28.00	IJ-55	LTC	1.94	1.44	5.09
							10,690	8,650	279,000
PRODUCTION	4-1/2"	0	to 11,565	11.60	HCP-110	LTC or BTC	1.19	1.11	2.60
									3.41

Surface Casing:

(Burst Assumptions: TD = 13.0 ppg) 0.73 psi/ft = frac gradient @ surface shoe

Fracture at surface shoe with 0.1 psi/ft gas gradient above

(Collapse Assumption: Fully Evacuated Casing, Max MW)

(Tension Assumptions: Air Weight of Casing*Buoy.Fact. of water)

Production casing:

(Burst Assumptions: Pressure test with 8.4ppg @ 9000 psi) 0.66 psi/ft = bottomhole gradient

(Collapse Assumption: Fully Evacuated Casing, Max MW)

(Tension Assumptions: Air Weight of Casing*Buoy.Fact. of water)

CEMENT PROGRAM

		FT. OF FILL	DESCRIPTION	SACKS	EXCESS	WEIGHT	YIELD
SURFACE	LEAD	500'	Premium cmt + 2% CaCl	180	60%	15.80	1.15
			+ 0.25 pps flocele				
Option 1							
	TOP OUT CMT (6 jobs)	1,200'	20 gals sodium silicate + Premium cmt	270	0%	15.80	1.15
			+ 2% CaCl + 0.25 pps flocele				
SURFACE			NOTE: If well will circulate water to surface, option 2 will be utilized				
Option 2							
	LEAD	2,290'	65/35 Poz + 6% Gel + 10 pps gilsonite	210	35%	11.00	3.82
			+ 0.25 pps Flocele + 3% salt BWOW				
	TAIL	500'	Premium cmt + 2% CaCl	150	35%	15.80	1.15
			+ 0.25 pps flocele				
	TOP OUT CMT	as required	Premium cmt + 2% CaCl	as req.		15.80	1.15
PRODUCTION	LEAD	4,575'	Premium Lite II +0.25 pps	330	10%	11.00	3.38
			celloflake + 5 pps gilsonite + 10% gel				
			+ 0.5% extender				
	TAIL	6,990'	50/50 Poz/G + 10% salt + 2% gel	1,350	10%	14.30	1.31
			+ 0.1% R-3				

*Substitute caliper hole volume plus 0% excess for LEAD if accurate caliper is obtained

*Substitute caliper hole volume plus 10% excess for TAIL if accurate caliper is obtained

FLOAT EQUIPMENT & CENTRALIZERS

SURFACE	Guide shoe, 1 jt, insert float. Centralize first 3 joints with bow spring centralizers. Thread lock guide shoe
PRODUCTION	Float shoe, 1 jt, float collar. No centralizers will be used.

ADDITIONAL INFORMATION

Test casing head to 750 psi after installing. Test surface casing to 1,500 psi prior to drilling out.

BOPE: 11" 5M with one annular and 2 rams. The BOPE will be installed before the production hole is drilled and tested to 5,000 psi (annular to 2,500 psi) prior to drilling out the surface casing shoe. Record on chart recorder and tour sheet. Function test rams on each trip. Maintain safety valve and inside BOP on rig floor at all times. Most rigs have top drives; however, if used, the Kelly is to be equipped with upper and lower kelly valves.

Surveys will be taken at 1,000' minimum intervals.

Most rigs have PVT System for mud monitoring. If no PVT is available, visual monitoring will be utilized.

DRILLING ENGINEER:

Nick Spence / Emile Goodwin

DATE:**DRILLING SUPERINTENDENT:**

Kenny Gathings / Lovel Young

DATE:

STATE OF UTAH DEPARTMENT OF NATURAL RESOURCES DIVISION OF OIL, GAS, AND MINING		FORM 9
SUNDRY NOTICES AND REPORTS ON WELLS Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.		5. LEASE DESIGNATION AND SERIAL NUMBER: UTU 0577A
		6. IF INDIAN, ALLOTTEE OR TRIBE NAME: Ute Tr
		7. UNIT or CA AGREEMENT NAME:
1. TYPE OF WELL Gas Well		8. WELL NAME and NUMBER: FEDERAL 920-23JT
2. NAME OF OPERATOR: KERR-MCGEE OIL & GAS ONSHORE, L.P.		9. API NUMBER: 43047505800000
3. ADDRESS OF OPERATOR: P.O. Box 173779 1099 18th Street, Suite 600, Denver, CO, 80217 3779		9. FIELD and POOL or WILDCAT: NATURAL BUTTES
4. LOCATION OF WELL FOOTAGES AT SURFACE: 1829 FSL 2020 FEL QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: Qtr/Qtr: NWSE Section: 23 Township: 09.0S Range: 20.0E Meridian: S		COUNTY: UINTAH
		STATE: UTAH
11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA		
TYPE OF SUBMISSION	TYPE OF ACTION	
<input type="checkbox"/> NOTICE OF INTENT Approximate date work will start:	<input type="checkbox"/> ACIDIZE	
<input type="checkbox"/> SUBSEQUENT REPORT Date of Work Completion:	<input type="checkbox"/> CHANGE TO PREVIOUS PLANS	
<input checked="" type="checkbox"/> SPUD REPORT Date of Spud: 9/13/2011	<input type="checkbox"/> CHANGE WELL STATUS	
<input type="checkbox"/> DRILLING REPORT Report Date:	<input type="checkbox"/> DEEPEN	
	<input type="checkbox"/> OPERATOR CHANGE	
	<input type="checkbox"/> PRODUCTION START OR RESUME	
	<input type="checkbox"/> REPERFORATE CURRENT FORMATION	
	<input type="checkbox"/> TUBING REPAIR	
	<input type="checkbox"/> WATER SHUTOFF	
	<input type="checkbox"/> WILDCAT WELL DETERMINATION	
	<input type="checkbox"/> ALTER CASING	
	<input type="checkbox"/> CHANGE TUBING	
	<input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS	
	<input type="checkbox"/> FRACTURE TREAT	
	<input type="checkbox"/> PLUG AND ABANDON	
	<input type="checkbox"/> RECLAMATION OF WELL SITE	
	<input type="checkbox"/> SIDETRACK TO REPAIR WELL	
	<input type="checkbox"/> VENT OR FLARE	
	<input type="checkbox"/> SI TA STATUS EXTENSION	
	<input type="checkbox"/> OTHER: <input style="width: 100px;" type="text"/>	
12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc. MIRU PETE MARTIN BUCKET RIG. DRILLED 20" CONDUCTOR HOLE TO 40'. RAN 14" 36.7# SCHEDULE 10 PIPE. CMT W/28 SX READY MIX. SPUD WELL ON 09/13/2011 AT 0830 HRS.		
Accepted by the Utah Division of Oil, Gas and Mining FOR RECORD ONLY		
NAME (PLEASE PRINT) Sheila Wopsock		PHONE NUMBER 435 781-7024
SIGNATURE N/A		DATE 9/15/2011

BLM - Vernal Field Office - Notification Form

Operator KERR-McGEE OIL & GAS Rig Name/# BUCKET RIG
Submitted By SHEILA WOPSOCK Phone Number 435.781.7024
Well Name/Number FEDERAL 920-23JT
Qtr/Qtr NWSE Section 23 Township 9S Range 20E
Lease Serial Number UTU-0577A
API Number 4304750580

Spud Notice – Spud is the initial spudding of the well, not drilling out below a casing string.

Date/Time 09/12/2011 0800 HRS AM ☒ PM ☐

Casing – Please report time casing run starts, not cementing times.

- ☒ Surface Casing
- ☐ Intermediate Casing
- ☐ Production Casing
- ☐ Liner
- ☐ Other

Date/Time 08/17/2011 0800 HRS AM ☒ PM ☐

BOPE

- ☐ Initial BOPE test at surface casing point
- ☐ BOPE test at intermediate casing point
- ☐ 30 day BOPE test
- ☐ Other

Date/Time _____ AM ☐ PM ☐

Remarks ESTIMATED DATE AND TIME. PLEASE CONTACT
LOVEL YOUNG AT 435.781.7051 FOR MORE

STATE OF UTAH DEPARTMENT OF NATURAL RESOURCES DIVISION OF OIL, GAS, AND MINING		FORM 9
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		6. IF INDIAN, ALLOTTEE OR TRIBE NAME: Ute Tr
		7. UNIT or CA AGREEMENT NAME:
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2. NAME OF OPERATOR: KERR-MCGEE OIL & GAS ONSHORE, L.P.		9. API NUMBER: 43047505800000
3. ADDRESS OF OPERATOR: P.O. Box 173779 1099 18th Street, Suite 600, Denver, CO, 80217 3779		9. FIELD and POOL or WILDCAT: NATURAL BUTTES
4. LOCATION OF WELL FOOTAGES AT SURFACE: 1829 FSL 2020 FEL QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: Qtr/Qtr: NWSE Section: 23 Township: 09.0S Range: 20.0E Meridian: S		COUNTY: UINTAH
		STATE: UTAH
11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA		
TYPE OF SUBMISSION	TYPE OF ACTION	
<input type="checkbox"/> NOTICE OF INTENT Approximate date work will start:	<div style="display: flex; flex-wrap: wrap;"> <div style="width: 33%;"> <input type="checkbox"/> ACIDIZE <input type="checkbox"/> CHANGE TO PREVIOUS PLANS <input type="checkbox"/> CHANGE WELL STATUS <input type="checkbox"/> DEEPEN <input type="checkbox"/> OPERATOR CHANGE <input type="checkbox"/> PRODUCTION START OR RESUME <input type="checkbox"/> REPERFORATE CURRENT FORMATION <input type="checkbox"/> TUBING REPAIR <input type="checkbox"/> WATER SHUTOFF <input type="checkbox"/> WILDCAT WELL DETERMINATION </div> <div style="width: 33%;"> <input type="checkbox"/> ALTER CASING <input type="checkbox"/> CHANGE TUBING <input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS <input type="checkbox"/> FRACTURE TREAT <input type="checkbox"/> PLUG AND ABANDON <input type="checkbox"/> RECLAMATION OF WELL SITE <input type="checkbox"/> SIDETRACK TO REPAIR WELL <input type="checkbox"/> VENT OR FLARE <input type="checkbox"/> SI TA STATUS EXTENSION <input type="checkbox"/> OTHER </div> <div style="width: 33%;"> <input type="checkbox"/> CASING REPAIR <input type="checkbox"/> CHANGE WELL NAME <input type="checkbox"/> CONVERT WELL TYPE <input type="checkbox"/> NEW CONSTRUCTION <input type="checkbox"/> PLUG BACK <input type="checkbox"/> RECOMPLETE DIFFERENT FORMATION <input type="checkbox"/> TEMPORARY ABANDON <input type="checkbox"/> WATER DISPOSAL <input type="checkbox"/> APD EXTENSION OTHER: <input style="width: 100px;" type="text"/> </div> </div>	
<input type="checkbox"/> SUBSEQUENT REPORT Date of Work Completion:		
<input type="checkbox"/> SPUD REPORT Date of Spud:		
<input checked="" type="checkbox"/> DRILLING REPORT Report Date: 9/23/2011		
12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc. MIRU AIR RIG ON SEPT 20, 2011. DRILLED SURFACE HOLE TO 2775'. RAN SURFACE CASING AND CEMENTED. WELL IS WAITING ON ROTARY RIG. DETAILS OF CEMENT JOB WILL BE INCLUDED WITH WELL COMPLETION REPORT.		
Accepted by the Utah Division of Oil, Gas and Mining FOR RECORD ONLY		
NAME (PLEASE PRINT) Andy Lytle		PHONE NUMBER 720 929-6100
SIGNATURE N/A		TITLE Regulatory Analyst
		DATE 9/26/2011

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

FORM 6

ENTITY ACTION FORM

Operator: KERR McGEE OIL & GAS ONSHORE LP Operator Account Number: N 2995
Address: 1368 SOUTH 1200 EAST
city VERNAL
state UT zip 84078 Phone Number: (435) 781-7024

Well 1

API Number	Well Name		QQ	Sec	Twp	Rng	County
4304750580	FEDERAL 920-23JT		NWSE	23	9S	20E	UINTAH
Action Code	Current Entity Number	New Entity Number	Spud Date			Entity Assignment Effective Date	
<u>A</u>	99999	<u>18212</u>	9/13/2011			<u>9/20/11</u>	
Comments: MIRU PETE MARTIN BUCKET RIG. <u>WSMVB</u> SPUD WELL ON 09/13/2011 AT 0830 HRS.							

Well 2

API Number	Well Name		QQ	Sec	Twp	Rng	County
Action Code	Current Entity Number	New Entity Number	Spud Date			Entity Assignment Effective Date	
Comments:							

Well 3

API Number	Well Name		QQ	Sec	Twp	Rng	County
Action Code	Current Entity Number	New Entity Number	Spud Date			Entity Assignment Effective Date	
Comments:							

ACTION CODES:

- A - Establish new entity for new well (single well only)
- B - Add new well to existing entity (group or unit well)
- C - Re-assign well from one existing entity to another existing entity
- D - Re-assign well from one existing entity to a new entity
- E - Other (Explain in 'comments' section)

SHEILA WOPSOCK

Name (Please Print)

Signature

REGULATORY ANALYST

Title

9/15/2011

Date

(5/2000)

RECEIVED

SEP 15 2011

DIV. OF OIL, GAS & MINING

STATE OF UTAH DEPARTMENT OF NATURAL RESOURCES DIVISION OF OIL, GAS, AND MINING		FORM 9			
SUNDRY NOTICES AND REPORTS ON WELLS Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.		5. LEASE DESIGNATION AND SERIAL NUMBER: UTU 0577A			
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2. NAME OF OPERATOR: KERR-MCGEE OIL & GAS ONSHORE, L.P.		7. UNIT or CA AGREEMENT NAME:			
3. ADDRESS OF OPERATOR: P.O. Box 173779 1099 18th Street, Suite 600, Denver, CO, 80217 3779		8. WELL NAME and NUMBER: FEDERAL 920-23JT			
4. LOCATION OF WELL FOOTAGES AT SURFACE: 1829 FSL 2020 FEL QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: Qtr/Qtr: NWSE Section: 23 Township: 09.0S Range: 20.0E Meridian: S		9. API NUMBER: 43047505800000			
PHONE NUMBER: 720 929-6515 Ext		9. FIELD and POOL or WILDCAT: NATURAL BUTTES			
COUNTY: UINTAH		STATE: UTAH			
11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA					
TYPE OF SUBMISSION	TYPE OF ACTION				
<input checked="" type="checkbox"/> NOTICE OF INTENT Approximate date work will start: 9/29/2011 <input type="checkbox"/> SUBSEQUENT REPORT Date of Work Completion: <input type="checkbox"/> SPUD REPORT Date of Spud: <input type="checkbox"/> DRILLING REPORT Report Date:	<table style="width: 100%; border: none;"> <tr> <td style="width: 33%; vertical-align: top;"> <input type="checkbox"/> ACIDIZE <input checked="" type="checkbox"/> CHANGE TO PREVIOUS PLANS <input type="checkbox"/> CHANGE WELL STATUS <input type="checkbox"/> DEEPEN <input type="checkbox"/> OPERATOR CHANGE <input type="checkbox"/> PRODUCTION START OR RESUME <input type="checkbox"/> REPERFORATE CURRENT FORMATION <input type="checkbox"/> TUBING REPAIR <input type="checkbox"/> WATER SHUTOFF <input type="checkbox"/> WILDCAT WELL DETERMINATION </td> <td style="width: 33%; vertical-align: top;"> <input type="checkbox"/> ALTER CASING <input type="checkbox"/> CHANGE TUBING <input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS <input type="checkbox"/> FRACTURE TREAT <input type="checkbox"/> PLUG AND ABANDON <input type="checkbox"/> RECLAMATION OF WELL SITE <input type="checkbox"/> SIDETRACK TO REPAIR WELL <input type="checkbox"/> VENT OR FLARE <input type="checkbox"/> SI TA STATUS EXTENSION <input type="checkbox"/> OTHER </td> <td style="width: 33%; vertical-align: top;"> <input type="checkbox"/> CASING REPAIR <input type="checkbox"/> CHANGE WELL NAME <input type="checkbox"/> CONVERT WELL TYPE <input type="checkbox"/> NEW CONSTRUCTION <input type="checkbox"/> PLUG BACK <input type="checkbox"/> RECOMPLETE DIFFERENT FORMATION <input type="checkbox"/> TEMPORARY ABANDON <input type="checkbox"/> WATER DISPOSAL <input type="checkbox"/> APD EXTENSION OTHER: <input style="width: 100px;" type="text"/> </td> </tr> </table>		<input type="checkbox"/> ACIDIZE <input checked="" type="checkbox"/> CHANGE TO PREVIOUS PLANS <input type="checkbox"/> CHANGE WELL STATUS <input type="checkbox"/> DEEPEN <input type="checkbox"/> OPERATOR CHANGE <input type="checkbox"/> PRODUCTION START OR RESUME <input type="checkbox"/> REPERFORATE CURRENT FORMATION <input type="checkbox"/> TUBING REPAIR <input type="checkbox"/> WATER SHUTOFF <input type="checkbox"/> WILDCAT WELL DETERMINATION	<input type="checkbox"/> ALTER CASING <input type="checkbox"/> CHANGE TUBING <input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS <input type="checkbox"/> FRACTURE TREAT <input type="checkbox"/> PLUG AND ABANDON <input type="checkbox"/> RECLAMATION OF WELL SITE <input type="checkbox"/> SIDETRACK TO REPAIR WELL <input type="checkbox"/> VENT OR FLARE <input type="checkbox"/> SI TA STATUS EXTENSION <input type="checkbox"/> OTHER	<input type="checkbox"/> CASING REPAIR <input type="checkbox"/> CHANGE WELL NAME <input type="checkbox"/> CONVERT WELL TYPE <input type="checkbox"/> NEW CONSTRUCTION <input type="checkbox"/> PLUG BACK <input type="checkbox"/> RECOMPLETE DIFFERENT FORMATION <input type="checkbox"/> TEMPORARY ABANDON <input type="checkbox"/> WATER DISPOSAL <input type="checkbox"/> APD EXTENSION OTHER: <input style="width: 100px;" type="text"/>
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12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc. The operator requests a variance to Onshore Order 2, Section III, Part Bi, for the pressure integrity test (PIT, also known as a formation integrity test (FIT)). This well is not an exploratory well and is being drilled in an area where the formation integrity is well known. Additionally, when an FIT is run with the mud weight as required, the casing shoe frequently breaks down and causes subsequent lost circulation when drilling the entire depth of the well. The operator					
<div style="display: flex; justify-content: space-between; align-items: center;"> <div style="text-align: left;"> Accepted by the Utah Division of Oil, Gas and Mining </div> <div style="text-align: right; font-size: 2em; font-weight: bold;"> FOR RECORD ONLY </div> </div>					
NAME (PLEASE PRINT) Jaime Scharnowske	PHONE NUMBER 720 929-6304	TITLE Regulatory Analyst			
SIGNATURE N/A	DATE 9/29/2011				

STATE OF UTAH DEPARTMENT OF NATURAL RESOURCES DIVISION OF OIL, GAS, AND MINING		FORM 9
SUNDRY NOTICES AND REPORTS ON WELLS Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.		5. LEASE DESIGNATION AND SERIAL NUMBER: UTU 0577A
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STATE: UTAH		
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TYPE OF SUBMISSION	TYPE OF ACTION	
<input type="checkbox"/> NOTICE OF INTENT Approximate date work will start:	<input type="checkbox"/> ACIDIZE	
<input type="checkbox"/> SUBSEQUENT REPORT Date of Work Completion:	<input type="checkbox"/> ALTER CASING	
<input type="checkbox"/> SPUD REPORT Date of Spud:	<input type="checkbox"/> CASING REPAIR	
<input checked="" type="checkbox"/> DRILLING REPORT Report Date: 10/26/2011	<input type="checkbox"/> CHANGE TO PREVIOUS PLANS	
	<input type="checkbox"/> CHANGE WELL STATUS	
	<input type="checkbox"/> CHANGE WELL TYPE	
	<input type="checkbox"/> DEEPEN	
	<input type="checkbox"/> FRACTURE TREAT	
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	<input type="checkbox"/> OPERATOR CHANGE	
	<input type="checkbox"/> PLUG AND ABANDON	
	<input type="checkbox"/> PLUG BACK	
	<input type="checkbox"/> PRODUCTION START OR RESUME	
	<input type="checkbox"/> RECLAMATION OF WELL SITE	
	<input type="checkbox"/> RECOMPLETE DIFFERENT FORMATION	
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	<input type="checkbox"/> WATER SHUTOFF	
	<input type="checkbox"/> SI TA STATUS EXTENSION	
	<input type="checkbox"/> WILDCAT WELL DETERMINATION	
	<input type="checkbox"/> OTHER: <input style="width: 100px;" type="text"/>	
12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc. MIRU ROTARY RIG. FINISHED DRILLING FROM 2775' TO 11,555' ON OCTOBER 23, 2011. RAN 4-1/2" 11.6# P-110 PRODUCTION CASING. CEMENTED PRODUCTION CASING. RELEASED SST RIG 54 ON OCTOBER 26, 2011 @ 08:00 HRS. DETAILS OF CEMENT JOB WILL BE INCLUDED WITH THE WELL COMPLETION REPORT. WELL IS WAITING ON FINAL COMPLETION ACTIVITIES.		
<div style="text-align: right;"> Accepted by the Utah Division of Oil, Gas and Mining FOR RECORD ONLY </div>		
NAME (PLEASE PRINT) Jaime Scharnowske		PHONE NUMBER 720 929-6304
SIGNATURE N/A		TITLE Regulatory Analyst
DATE 10/27/2011		

STATE OF UTAH DEPARTMENT OF NATURAL RESOURCES DIVISION OF OIL, GAS, AND MINING		FORM 9
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<input checked="" type="checkbox"/> DRILLING REPORT Report Date: 11/19/2011	<input type="checkbox"/> CHANGE TO PREVIOUS PLANS	
	<input type="checkbox"/> CHANGE WELL STATUS	
	<input type="checkbox"/> CHANGE WELL TYPE	
	<input type="checkbox"/> DEEPEN	
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	<input type="checkbox"/> WATER SHUTOFF	
	<input type="checkbox"/> SI TA STATUS EXTENSION	
	<input type="checkbox"/> APD EXTENSION	
	<input type="checkbox"/> WILDCAT WELL DETERMINATION	
	<input type="checkbox"/> OTHER: 	
12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc. THE SUBJECT WELL WAS PLACED ON PRODUCTION ON 11/19/2011 AT 1745 HRS. THE CHRONOLOGICAL WELL HISTORY WILL BE SUBMITTED WITH THE WELL COMPLETION REPORT.		
Accepted by the Utah Division of Oil, Gas and Mining FOR RECORD ONLY		
NAME (PLEASE PRINT) Sheila Wopsock	PHONE NUMBER 435 781-7024	TITLE Regulatory Analyst
SIGNATURE N/A	DATE 11/21/2011	

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENTFORM APPROVED
OMB No. 1004-0137
Expires: July 31, 2010

WELL COMPLETION OR RECOMPLETION REPORT AND LOG

5. Lease Serial No.
UTU0577A1a. Type of Well ☐ Oil Well ☒ Gas Well ☐ Dry ☐ Other
b. Type of Completion ☒ New Well ☐ Work Over ☐ Deepen ☐ Plug Back ☐ Diff. Resvr.
Other _____

6. If Indian, Allottee or Tribe Name

7. Unit or CA Agreement Name and No.

2. Name of Operator
KERR MCGEE OIL & GAS ONSHORE, Contact: JAIME L. SCHARNOWSKE
Email: JAIME.SCHARNOWSKE@ANADARKO.COM8. Lease Name and Well No.
FEDERAL 920-23JT3. Address PO BOX 173779
DENVER, CO 802173a. Phone No. (include area code)
Ph: 720-929-63049. API Well No.
43-047-50580

4. Location of Well (Report location clearly and in accordance with Federal requirements)*

At surface NWSE 1829FSL 2020FEL

At top prod interval reported below NWSE 1829FSL 2020FEL

At total depth NWSE 1829FSL 2020FEL

10. Field and Pool, or Exploratory
NATURAL BUTTES11. Sec., T., R., M., or Block and Survey
or Area Sec 23 T9S R20E Mer SLB12. County or Parish
UINTAH13. State
UT14. Date Spudded
09/13/201115. Date T.D. Reached
10/23/201116. Date Completed
☐ D & A ☒ Ready to Prod.
11/19/201117. Elevations (DF, KB, RT, GL)*
4847 GL18. Total Depth: MD 11555
TVD 1125119. Plug Back T.D.: MD 11512
TVD 1120820. Depth Bridge Plug Set: MD
TVD21. Type Electric & Other Mechanical Logs Run (Submit copy of each)
HDIL/ZDL/CNGR-CBL/GR/COLLARS22. Was well cored? ☒ No ☐ Yes (Submit analysis)
Was DST run? ☒ No ☐ Yes (Submit analysis)
Directional Survey? ☒ No ☐ Yes (Submit analysis)

23. Casing and Liner Record (Report all strings set in well)

Hole Size	Size/Grade	Wt. (#/ft.)	Top (MD)	Bottom (MD)	Stage Cementer Depth	No. of Sk. & Type of Cement	Slurry Vol. (BBL)	Cement Top*	Amount Pulled
20.000	14.000 STL	36.7	0	40		28			
12.250	9.625 J-55	40.0	0	2753		715		0	
7.875	4.500 P-110	11.6	0	11555		2603		4194	

24. Tubing Record

Size	Depth Set (MD)	Packer Depth (MD)	Size	Depth Set (MD)	Packer Depth (MD)	Size	Depth Set (MD)	Packer Depth (MD)
2.375	11055							

25. Producing Intervals

Formation	Top	Bottom	Perforated Interval	Size	No. Holes	Perf. Status
A) MESAVERDE	8666	11390	8666 TO 11390	0.360	171	OPEN
B)						
C)						
D)						

26. Perforation Record

27. Acid, Fracture, Treatment, Cement Squeeze, Etc.

Depth Interval	Amount and Type of Material
8666 TO 11390	PUMP 15,379 BBLs SLICK H2O & 267,909 LBS TLC & 39,358 LBS 30/50 OTTAWA SAND

28. Production - Interval A

Date First Produced	Test Date	Hours Tested	Test Production	Oil BBL	Gas MCF	Water BBL	Oil Gravity Corr. API	Gas Gravity	Production Method
11/19/2011	11/23/2011	24	→	0.0	1694.0	840.0			FLows FROM WELL
Choke Size	Tbg. Press. Flwg. SI	Csg. Press.	24 Hr. Rate	Oil BBL	Gas MCF	Water BBL	Gas:Oil Ratio	Well Status	
20/64	2806	2060.0	→	0	1694	840		PGW	

28a. Production - Interval B

Date First Produced	Test Date	Hours Tested	Test Production	Oil BBL	Gas MCF	Water BBL	Oil Gravity Corr. API	Gas Gravity	Production Method
			→						
Choke Size	Tbg. Press. Flwg. SI	Csg. Press.	24 Hr. Rate	Oil BBL	Gas MCF	Water BBL	Gas:Oil Ratio	Well Status	
			→						

(See Instructions and spaces for additional data on reverse side)

ELECTRONIC SUBMISSION #127776 VERIFIED BY THE BLM WELL INFORMATION SYSTEM

** OPERATOR-SUBMITTED ** OPERATOR-SUBMITTED ** OPERATOR-SUBMITTED **

RECEIVED

JAN 17 2012

DIV. OF OIL, GAS & MINING

28b. Production - Interval C

Date First Produced	Test Date	Hours Tested	Test Production	Oil BBL	Gas MCF	Water BBL	Oil Gravity Corr. API	Gas Gravity	Production Method
			→						
Choke Size	Tbg. Press. Flwg. SI	Csg. Press.	24 Hr. Rate	Oil BBL	Gas MCF	Water BBL	Gas:Oil Ratio	Well Status	
			→						

28c. Production - Interval D

Date First Produced	Test Date	Hours Tested	Test Production	Oil BBL	Gas MCF	Water BBL	Oil Gravity Corr. API	Gas Gravity	Production Method
			→						
Choke Size	Tbg. Press. Flwg. SI	Csg. Press.	24 Hr. Rate	Oil BBL	Gas MCF	Water BBL	Gas:Oil Ratio	Well Status	
			→						

29. Disposition of Gas(Sold, used for fuel, vented, etc.)
SOLD

30. Summary of Porous Zones (Include Aquifers):

Show all important zones of porosity and contents thereof: Cored intervals and all drill-stem tests, including depth interval tested, cushion used, time tool open, flowing and shut-in pressures and recoveries.

31. Formation (Log) Markers

Formation	Top	Bottom	Descriptions, Contents, etc.	Name	Top
					Meas. Depth
				GREEN RIVER BIRD'S NEST MAHOGANY WASATCH MESAVERDE	1686 1919 2425 5078 8370

32. Additional remarks (include plugging procedure):

Attached is the chronological well history, perforation report & final survey.

33. Circle enclosed attachments:

- | | | | |
|---|--------------------|---------------|-----------------------|
| 1. Electrical/Mechanical Logs (1 full set req'd.) | 2. Geologic Report | 3. DST Report | 4. Directional Survey |
| 5. Sundry Notice for plugging and cement verification | 6. Core Analysis | 7. Other: | |

34. I hereby certify that the foregoing and attached information is complete and correct as determined from all available records (see attached instructions):

**Electronic Submission #127776 Verified by the BLM Well Information System.
For KERR MCGEE OIL & GAS ONSHORE,L, sent to the Vernal**

Name (please print) JAIME L. SCHARNOWSKETitle REGULATORY ANALYSTSignature (Electronic Submission)Date 01/10/2012

Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

**** ORIGINAL ** ORIGINAL ** ORIGINAL ** ORIGINAL ** ORIGINAL ** ORIGINAL ** ORIGINAL ****

US ROCKIES REGION
Operation Summary Report

Well: FEDERAL 920-23JT		Spud Conductor: 9/12/2011		Spud Date: 9/20/2011	
Project: UTAH-UINTAH		Site: FEDERAL 920-23JT		Rig Name No: PROPETRO 11/11, SST 54/54	
Event: DRILLING		Start Date: 9/5/2011		End Date: 10/26/2011	
Active Datum: RKB @4,865.00usft (above Mean Sea Level)		UWI: NW/SE/0/9/S/20/E/23/0/0/26/PM/S/1829/E/0/2020/0/0			

Date	Time Start-End	Duration (hr)	Phase	Code	Sub Code	P/U	MD From (usft)	Operation
9/20/2011	6:00 - 20:30	14.50	DRLSUR	01	B	P		MOVE RIG ONTO LOCATION, DRESS TOP OF CONDUCTOR. INSTALL DIVERTER HEAD AND BOWIE LINE. BUILD DITCH. MOVE RIG OVER HOLE AND RIG UP.. SET CATWALK AND PIPE RACKS. RIG UP AND PRIME PIT PUMP AND MUD PUMP.
	20:30 - 21:00	0.50	DRLSUR	06	A	P		P/U 1.83 BENT HOUSING HUNTING MTR SN 8005. 7/8 LOBE .16 RPM. M/U Q506 SN 7133302 1ST RUN, W/ 6-18'S. INSTALL RUBBER.
	21:00 - 22:30	1.50	DRLSUR	02	B	P		SPUD SURFACE 09/20/2011 @ 21:00 HRS. DRILL 12 1/4" SURFACE HOLE F/40'-210' (170' @ 113'/HR) PSI ON/ OFF 850/600, UP/ DOWN/ ROT 27/22/25. 532 GPM, 45 RPM ON TOP DRIVE, 15-18K WOB
	22:30 - 23:00	0.50	DRLSUR	06	A	P		TOH TO P/U DIR TOOLS
	23:00 - 0:00	1.00	DRLSUR	06	A	P		,P/U DIR. TOOLS & SCRIBE, TIH T/210'
9/21/2011	0:00 - 0:30	0.50	DRLSUR	06	A	P		FINISH TRIP IN HOLE WITH MWD TOOLS TO 210
	0:30 - 4:30	4.00	DRLSUR	02	B	P		DRILL 12 1/4" SURFACE HOLE F/210' (680' @ 117'/HR) PSI ON/ OFF 1180/900, UP/ DOWN/ ROT 50/40/46. 532 GPM, 45 RPM ON TOP DRIVE, 15-18K WOB
	4:30 - 0:00	19.50	DRLSUR	02	B	P		DRILL 12 1/4" SURFACE HOLE F/680' (2180' @ 77'/HR) PSI ON/ OFF 1820/1600, UP/ DOWN/ ROT 70/49/65. 532 GPM, 45 RPM ON TOP DRIVE, 15-18K WOB
9/22/2011	0:00 - 11:30	11.50	DRLSUR	22	H	Z		TROUBLE SHOOT MWD TOOL BAD READINGS / TRIP OUT OF HOLE FOR MWD/TOOL FAILURE, PU NMDC, STRAP BHA, TRIP IN HOLE TAG @ 2180' ATTEMPT TO CIRC. BLEW HYD O-RING.
	11:30 - 12:00	0.50	DRLSUR	08	A	Z		MANE HYD PUMP O-RING BLEW TAKE OFF REPLACE.
	12:00 - 16:00	4.00	DRLSUR	02	B	P		DRILL 12 1/4" SURFACE HOLE F/2180'- 2775' (300' @75' /HR) PSI ON/ OFF 1820/1600, UP/ DOWN/ ROT 70/49/65. 532 GPM, 45 RPM ON TOP DRIVE, 15-18K WOB
	16:00 - 17:00	1.00	DRLSUR	08	A	Z		MANE HYD PUMP O-RING BLEW TAKE OFF REPLACE. AGAIN
	17:00 - 22:00	5.00	DRLSUR	02	B	P		DRILL 12 1/4" SURFACE HOLE F/2480' T/2775' 295' @59' /HR) PSI ON/ OFF 1700/1500, UP/ DOWN/ ROT 73/65/70. 532 GPM, 45 RPM ON TOP DRIVE, 15-18K WOB
9/23/2011	22:00 - 0:00	2.00	DRLSUR	05	C	P		CIRC & COND HOLE F/LD & 9 5/8" SURF. CSG RUN.
	0:00 - 2:00	2.00	DRLSUR	22	L	Z		TROUBLE SHOOT MULTI SHOT THREE ATTEMPTS TO SURVEY WITH NO SUCCESS.
	2:00 - 6:30	4.50	DRLSUR	06	A	P		L/D DS, BHA & NMDC, M.M BREAK BIT.
	6:30 - 7:30	1.00	DRLSUR	12	A	P		MOVE CATWALK AND PIPE RACKS, MOVE CSG OVER TO WORK AREA, R/U T/RUN 9 5/8" 28# SURF. CSG

US ROCKIES REGION
Operation Summary Report

Well: FEDERAL 920-23JT		Spud Conductor: 9/12/2011		Spud Date: 9/20/2011	
Project: UTAH-UINTAH		Site: FEDERAL 920-23JT			Rig Name No: PROPETRO 11/11, SST 54/54
Event: DRILLING		Start Date: 9/5/2011		End Date: 10/26/2011	
Active Datum: RKB @4,865.00usft (above Mean Sea Level)		UWI: NW/SE/0/9/S/20/E/23/0/0/26/PM/S/1829/E/0/2020/0/0			

Date	Time Start-End	Duration (hr)	Phase	Code	Sub Code	P/U	MD From (usft)	Operation
	7:30 - 14:00	6.50	DRLSUR	12	C	P		RUN CASING IN HOLE 23 JTS TO 1012' UNLOADED HOLE ATTEMPT TO CIRC.WAIT ON MUD/ PUMPED 230 BBLs APX 11# MUD DOWN CASING DISP,CASG KILLED GAS RUN CASING TO BOTTEM RUN 64 JNTS TOTAL (PARTIAL RETURNS)
	14:00 - 15:00	1.00	DRLSUR	12	A	P		RUN 200' 1" PIPE DOWN ANNULUS,MOVE RIG OFF,INSTALL CEMENT HEAD,R/U PRO PETRO CEMENTERS
	15:00 - 18:30	3.50	DRLSUR	12	E	P		HOLD SAFETY MEETING. TEST LINES TO 2000 PSI. PUMP 200 BBLs OF 8.4# H2O AHEAD, PUMP 20 BBLs OF 8.4# GEL WATER AHEAD. PUMP 265 SX(180 BBLs) 11# 3.82 YIELD LEAD CEMENT, PUMP 200 SX (41 BBLs) OF 15.8# 1.15 YIELD TAIL(2% CALC, 1/4# /SK OF FLOCELE).DROP PLUG ON FLY AND DISPLACE W/203 BBLs OF 8.4# H2O. LIFT PRESSURE WAS 580 PSI, BUMP PLUG AND HOLD 1000 PSI FOR 5 MIN. FLOAT HELD,PARTIAL RETURNS THRU OUT JOB ,23 BBLs LEAD CEMENT TO SURF,CEMENT FELL / TOP OUT DOWN 1" PUMP 125 SX (25.6 BBLs), PUMP 125 SX (25.6 BBLs) DOWN BACK SIDE OF 15.8# 1.15 YIELD TAIL(4 % CALC, 1/4# /SK OF FLOCELE). RIG DOWN CEMENTERS AND RELEASE RIG@ 18:30 HRS.
10/11/2011	2:00 - 7:30	5.50	RDMO	01	E	P		RIG DOWN TOP DRIVE AND LAY DOWN. RIG DOWN PITS AND PUMPS.
	7:30 - 12:00	4.50	RDMO	01	E	P		HOLD SAFETY MEETING. START MOVING RIG WITH 5 L&S RIG TRUCKS. 2 SWAMPERS. 1 FORKLIFT. MOVE CAMPS WITH 2 MOUNTAIN WEST TRUCKS AND 2 MOUNTAIN WEST CREWS. MOVE FRAC TANKS. MOVE PIPE TUBS. MOVE CEMENT SILOS. RIG DOWN RIG FLOOR. LAY OVER DERRICK. (5 EXTRA RIG HANDS AND 1 EXTRA PUSHER ON LOCATION)
	12:00 - 16:00	4.00	RDMO	01	E	P		RIG DOWN ELECTRICAL. MOVE GENERATOR HOUSES, PUMPS HOUSES, COMBO HOUSE, SCR HOUSE, DOG HOUSE, RIG WATER TANK, AND MUD TANKS. PULL OFF DRAW WORKS AND BREAK DOWN SUB. MOVE OUT SUB. AND BOP'S. (SET IN CAMPS AND RIGGED UP. RELEASE MTN WEST 14:00)
	16:00 - 19:00	3.00	RDMO	01	B	P		SET MATTING BOARDS AND SINGLE SKID RAIL. SET IN MUD TANKS. 80% OF RIG ON LOCATION. MUD PRODUCT. BAR HOPPER. MUD UPRIGHTS, DERRICK AND MISC. ITEMS STILL ON OLD LOCATION.
	19:00 - 0:00	5.00	RDMO	21	C	P		WAIT ON DAYLIGHT.
10/12/2011	0:00 - 6:00	6.00	DRLPRO	21	C	P		WAIT ON DAYLIGHT
	6:00 - 0:00	18.00	DRLPRO	01	B	P		MIRU. SET SUB, SET IN BACK YARD. DERRICK ON FLOOR @ 16:00. STOOD DERRICK @ 18:00.
10/13/2011	0:00 - 6:00	6.00	DRLPRO	01	B	P		RIG UP. PICK UP TOP DRIVE. RIG UP FLOOR. HOOK UP MUD LINE & PUMPS. HOOK UP YELLOW DOG & FILL MUD TANKS.
	6:00 - 11:30	5.50	DRLPRO	08	B	P		WORK ON TOP DRIVE. NO ROTATION.
	11:30 - 12:00	0.50	DRLPRO	23		P		SAFETY MEETING AND RIG INSPECTION. ACCEPT RIG FOR DAY WORK.

US ROCKIES REGION
Operation Summary Report

Well: FEDERAL 920-23JT		Spud Conductor: 9/12/2011		Spud Date: 9/20/2011	
Project: UTAH-UINTAH		Site: FEDERAL 920-23JT		Rig Name No: PROPETRO 11/11, SST 54/54	
Event: DRILLING		Start Date: 9/5/2011		End Date: 10/26/2011	
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Date	Time Start-End	Duration (hr)	Phase	Code	Sub Code	P/U	MD From (usft)	Operation
10/14/2011	12:00 - 16:00	4.00	DRLPRO	14	A	P		NIPPLE UP BOPE.
	16:00 - 20:00	4.00	DRLPRO	15	A	P		TEST BOPE. TEST FLOOR VALVES, 250 PSI LOW, 5000 PSI HIGH. PICK UP TEST ASSEMBLY. TEST ANNULAR, 250 PSI LOW, 2500 PSI HIGH. TEST PIPE RAMS, BLIND RAMS, IBOP, KIL LINE VALVES, CHOKE LINE VALVES, CHOKE LINE, CHOKE MANIFOLD VALVES, 250 PSI LOW, 5000 PSI HIGH. FUNCTION TEST BOTH CHOKE CHOKES WITH PRESSURE. OK
	20:00 - 20:30	0.50	DRLPRO	24	A	P		SET WEAR BUSHING.
	20:30 - 22:00	1.50	DRLPRO	09	A	P		SLIP AND CUT 120' OF DRILLING LINE
	22:00 - 0:00	2.00	DRLPRO	06	A	P		PICK UP BIT, MUD MOTOR, MWD, MONEL dc. PROGRAM & SCRIBE MWD. TEST MOTOR.
	0:00 - 0:30	0.50	DRLPRO	06	A	P		PICK UP BHA. SCRIBE MWD. TEST MOTOR.
	0:30 - 6:00	5.50	DRLPRO	06	A	P		TRIP IN HOLE PICKING UP DRILL PIPE.
	6:00 - 8:00	2.00	DRLPRO	24		P		CHANGE OUT BIT DEPTH TRACKER ON PASON DRILLING RECORDER.
	8:00 - 10:00	2.00	DRLPRO	06	A	P		FINISH TRIP IN HOLE PICKING UP DRILL PIPE. TAG CEMENT AT 2675'.
	10:00 - 11:00	1.00	DRLPRO	07	A	P		RIG SERVICE AND FIX GASKET IN MUD LINE.
	11:00 - 12:30	1.50	DRLPRO	02	F	P		DRILL CEMENT AND SHOE TRACK. FLOAT COLLAR AT 2691'. SHOE AT 2735'. CLEAN OUT TO 2789'
	12:30 - 21:00	8.50	DRLPRO	02	B	P		DRLG ROTATE/SURVEY. 2789' TO 3780'. 991' @ 116.6 FPH. TDRPM 50. MMRPM 50. PUMPING 519 GPM. PSI ON/OFF 1950/1720. TORQUE ON/OFF 6250/2000.
	21:00 - 23:30	2.50	DRLPRO	06	H	P		TRIP OUT OF HOLE FOR MWD.
	23:30 - 0:00	0.50	DRLPRO	24		P		REPROGRAM AND WORK ON MWD. FUNCTION BLIND RAMS
10/15/2011	0:00 - 1:30	1.50	DRLPRO	24		P		REPROGRAM & WORK ON MWD
	1:30 - 3:30	2.00	DRLPRO	06	H	P		TRIP IN HOLE. WASH 90' TO BOTTOM. NO FILL.
	3:30 - 15:30	12.00	DRLPRO	02	B	P		DIR DRLG/ROTATE/SLIDE/SURVEY. 3780' TO 5210'. 1430' @ 119.2 FPH. WOB 15 TO 18K. TDRPM 60. MMRPM 83. PUMPING 519 GPM. PSI ON/OFF BOTTOM 2050/1830. TORQUE ON/OFF. 7820/3810. BOP DRILL 1.75 MINUTES TO STATIONS
	15:30 - 16:00	0.50	DRLPRO	07	A	P		RIG SERVICE. FUNCTION BOP.
10/16/2011	16:00 - 18:00	2.00	DRLPRO	02	B	P		DIR DRLG/ROTATE/SLIDE/SURVEY. 5210' TO 5400'. 190' @ 95 FPH. WOB 15 TO 18K. TDRPM 60. MMRPM 83. PUMPING 519 GPM. PSI ON/OFF. 2050/1830. TORQUE ON/OFF 7850/5810'. BG GAS 360 TO 620 U. CONN GAS 470 TO 780 U. HIGH GAS 2195 U. 4' TO 6' FLARE WHILE DRLG.
	18:00 - 20:00	2.00	DRLPRO	05	A	P		CIRCULATE & CONDITIONS. PUMP DRY JOB.
	20:00 - 23:00	3.00	DRLPRO	06	H	P		TRIP OUT OF HOLE. LAY DOWN EXCEL BHA.
	23:00 - 0:00	1.00	DRLPRO	24		P		RIG DOWN & MOVE OUT EXCEL DIRECTIONAL TECHNOLOGIES.
	0:00 - 3:00	3.00	DRLPRO	24		P		MOVE IN & RIG UP SCIENTIFIC DRILLING INTL. CALIPER & PICTURE TOOLS. FUNCTION BLIND RAMS.
	3:00 - 5:00	2.00	DRLPRO	06	J	P		PICK UP MUD MOTOR, MWD, & MONEL DC. SCRIBE MWD & TEST MOTOR.
	5:00 - 8:30	3.50	DRLPRO	06	J	P		TRIP IN HOLE. WASH 90' TO BOTTOM. NO FILL.

US ROCKIES REGION
Operation Summary Report

Well: FEDERAL 920-23JT		Spud Conductor: 9/12/2011		Spud Date: 9/20/2011	
Project: UTAH-UINTAH		Site: FEDERAL 920-23JT		Rig Name No: PROPETRO 11/11, SST 54/54	
Event: DRILLING		Start Date: 9/5/2011		End Date: 10/26/2011	
Active Datum: RKB @4,865.00usft (above Mean Sea Level)			UWI: NW/SE/0/9/S/20/E/23/0/0/26/PM/S/1829/E/0/2020/0/0		

Date	Time Start-End	Duration (hr)	Phase	Code	Sub Code	P/U	MD From (usft)	Operation
10/17/2011	8:30 - 12:00	3.50	DRLPRO	02	D	P		DIR DRLG/ROTATE/SLIDE/SURVEY. 5400' TO 5624'. 224' @ 64 FPH. WOB 14K. TDRPM 60. MMRPM 83. PUMPING 514 GPM. PSI ON/OFF 1820/1610. TORQUE ON/OFF 7380/4210.
	12:00 - 12:30	0.50	DRLPRO	07	A	P		RIG SERVICE. FUNCTION BOP.
	12:30 - 13:30	1.00	DRLPRO	08	B	P		WORK ON PUMPS. CHANGE HEAD # 2 PUMP.
	13:30 - 0:00	10.50	DRLPRO	02	D	P		DIR DRLG/ROTATE/SLIDE/SURVEY. 5624' TO 6775'. 1151' @ 109.6 FPH. WOB 15 TO 20K. TDRPM 60. MMRPM 86. PUMPING 539 GPM. PSI ON/OFF 2400/2010. TORQUE ON/OFF 10030/5100.
	0:00 - 2:30	2.50	DRLPRO	02	D	P		DIR DRLG ROTATE/SLIDE/SURVEY. 6775' TO 6939'. 164' @ 65.6 FPH. WOB 10 TO 20K. TDRPM 60. MMRPM 72. PUMPING 514 GPM. PSI ON/OFF 2410/2200. TORQUE ON/OFF 10110/5200.
	2:30 - 3:30	1.00	DRLPRO	08	B	P		WORK ON TOP DRIVE. STOPS ROTATING.
	3:30 - 15:30	12.00	DRLPRO	02	D	P		DIR DRLG ROTATE/SLIDE/SURVEY. 6939' TO 7893'. 954' @ 79.5 FPH. WOB 22K. TDRPM 62. MMRPM 72. PUMPING 514 GPM. PAI ON/OFF 2605/2335. TORQUE ON/OFF 9695/9410
	15:30 - 16:00	0.50	DRLPRO	07	A	P		RIG SERVICE. FUNCTION BOP.
	16:00 - 19:00	3.00	DRLPRO	05	B	P		CIRCULATE OUT GAS KICK. 70 BBL GAIN IN 2 MINUTES. SICP 120 PSI. SIDPP 48 PSI. RAISE MUD WT TO 10.5 PPG. 20' FLARE
	19:00 - 0:00	5.00	DRLPRO	02	D	P		DIR DRLG ROTATE/ SURVEY. 7893' TO 8122'. 229' @ 45.8 FPH. WOB 20K. TDRPM 52. MMRPM 62. PUMPING 441 GPM. PSI ON/OFF 2000/1760. TORQUE ON/OFF 8000/3500. DRILLING FLARE 3' CONN FLARE 12'. MUD LOGGER SHOWS 7327' TO 7342' GAS B/D/A 30/225/35. 7851' TO 7925' GAS B/D/A 60/3030/1165.
10/18/2011	0:00 - 12:00	12.00	DRLPRO	02	B	P		DIR DRLG ROTATE/SLIDE/SURVEY. 8122' TO 8656'. 534' @ 44.5 FPH. WOB 18K. TD RPM 45 TO 50. MM RPM 62. PUMPING 441 GPM. PSI ON/OFF 2080/1858. TORQUE ON/ OFF 7500/5500. FLARE DRLG 4' CONN 10'. AVE.GAS 600 U. HIGH GAS 2016 U. RIG SERVICE. FUNCTION BOP.
	12:00 - 12:30	0.50	DRLPRO	07	A	P		DIR DRLG ROTATE/SURVEY. 8656' TO 9095'. 439' @ 38.2 FPH. WOB 23K. TD RPM 50. MM RPM 62. PUMPING 441 GPM. PSI ON/OFF 2300/2100. TORQUE ON/OFF 8010/4300. 4' FLARE. MUD LOGGER SHOWS:
	12:30 - 0:00	11.50	DRLPRO	02	B	P		8143' TO 8243' B 1355 U D 2305 U A 1385 U 8250' TO 8298' B 1035 U D 2060 U A 1310 U 8335' TO 8428' B 1140 U D 1920 U A 885 U 8555' TO 8598' B 455 U D 2165 U A 670 U 8655' TO 8743' B 405 U D 2540 U A 1335 U 8788' TO 8904' B 1050 U D 2835 U A 1520 U
10/19/2011	0:00 - 18:00	18.00	DRLPRO	02	B	P		DRLG ROTATE/SLIDE/SURVEY. 9095' TO 9800'. 705' @ 39.2 FPH. WOB 21K. TD RPM 50. MM RPM 65. PUMPING 465 GPM. PSI ON/OFF 2420/2250. TORQUE ON/OFF 9000/6000. FLARE 4' TO 6'.
	18:00 - 18:30	0.50	DRLPRO	07	A	P		RIG SERVICE. FUNCTION BOP.

US ROCKIES REGION

Operation Summary Report

Well: FEDERAL 920-23JT		Spud Conductor: 9/12/2011		Spud Date: 9/20/2011	
Project: UTAH-UINTAH		Site: FEDERAL 920-23JT		Rig Name No: PROPETRO 11/11, SST 54/54	
Event: DRILLING		Start Date: 9/5/2011		End Date: 10/26/2011	
Active Datum: RKB @4,865.00usft (above Mean Sea Level)		UWI: NW/SE/0/9/S/20/E/23/0/0/26/PM/S/1829/E/0/2020/0/0			

Date	Time Start-End	Duration (hr)	Phase	Code	Sub Code	P/U	MD From (usft)	Operation
	18:30 - 0:00	5.50	DRLPRO	02	B	P		DRLG ROTATE/SLIDE/SURVEY. 9800' TO 9920'. 120' @ 21.8 FPH. WOB 20K. TD RPM 55. MM RPM 62. PUMPING 441 GPM. PSI ON/OFF 2520/2400. TORQUE ON/OFF 9510/7615. 8' TO 10' FLARE. MUD LOGGER SHOWS: 9036' TO 9108' B 920 U, D 2740 U, A 1885 U 9194' TO 9215' B 1380 U, D 2540 U, A 1805 U 9392' TO 9483' B 915 U, D 2535 U, A 290 U 9498' TO 9527' B 635 U, D 2675 U, A 1100 U 9649' TO 9698' B 1535 U, D 2780 U, A 1560 U 9773' TO 9803' B 975 U, D 2815 U, A 1445 U.
10/20/2011	0:00 - 17:30	17.50	DRLPRO	02	B	P		DRLG ROTATE/SLIDE/SURVEY. 9920' TO 10467'. 547' @ 31.3 FPH. WOB 22K. TD RPM 55. MM RPM 62. PUMPING 441 GPM. PSI ON/OFF 2670/2420. TORQUE ON/OFF 7670/6850. 4' TO 10' FLARE. GAS UNITS 400 TO 2860 RIG SERVICE. FUNCTION BOP.
	17:30 - 18:00	0.50	DRLPRO	07	A	P		
	18:00 - 0:00	6.00	DRLPRO	02	B	P		DRLG ROTATE/SLIDE/SURVEY. 10467' TO 10,604' 137' @ 22.8 FPH. WOB 22K. TD RPM 50. MM RPPM 62. PUMPING 441 GPM. PSI ON/OFF 2610/2400. TORQUE ON/OFF 7640/6850. 6' FLARE. MUD LOGGER SHOWS 9864' TO 9900' B 750 U, D 2780 U, A 1845 U 10078 TO 10108 B 1425U, D 2200U, A 1440U 10205 TO 10246 B 1490U, D 2320U, A 1205U 10301 TO 10350 B 1320U, D 2500U, A 1285U 10460 TO 10500 B 460U, D 2880U, A 1065U
10/21/2011	0:00 - 3:00	3.00	DRLPRO	02	B	P		DRLG ROTATE/SURVEY. 10604' TO 10680'. 76' @ 25.3 FPH. WOB 24K. TD RPM 55. MM RPM 62. PUMPING 441 GPM. PSI ON/OFF 2610/2400. TORQUE ON/OFF 7640/6850. 6' FLARE.
	3:00 - 9:00	6.00	DRLPRO	06	A	P		TRIP OUT FOR BIT
	9:00 - 11:00	2.00	DRLPRO	06	J	P		LAY DOWN MUD MOTOR. PICK UP NEW MUD MOTOR & CHANGE OUT MWD. SCRIBE MWD & TEST MOTOR. FUNCTION BLIND RAMS.
	11:00 - 12:00	1.00	DRLPRO	06	A	P		TRIP IN BHA & TWO STD DP.
	12:00 - 13:30	1.50	DRLPRO	09	A	P		SLIP & CUT 121' DRLG LINE.
	13:30 - 16:00	2.50	DRLPRO	06	A	P		TRIP IN HOLE. TIGHT HOLE @ 8179'.
	16:00 - 22:00	6.00	DRLPRO	03	A	P		WORK PIPE UP OUT OF TIGHT HOLE & WASH THROUGH TIGHT SPOTS @ 8179' TO 8370', 9037' TO 9322', 9704' TO 9890', & 10658' TO 10680'. 15' TO 20' FLARE TRIP GAS.
	22:00 - 0:00	2.00	DRLPRO	02	B	P		DRLG ROTATE/SURVEY. 10,680' TO 10,735'. 55' @ 27.5 FPH. WOB 17K. TD RPM 55. MM RPM 62. PUMPING 441 GPM. PSI ON/OFF 2490/2280. TORQUE ON/OFF 7980/6990. 6' TO 8' FLARE. MUD LOGGER SHOWS: 10,558' TO 10578' B 625U, D 1800U, A 920U 10,634' TO 10,673' B 375U, D 1960U, A 35U
10/22/2011	0:00 - 14:00	14.00	DRLPRO	02	B	P		DRLG ROTATE/SURVEY. 10,735' TO 11,135'. 400' @ 28.6 FPH. WOB 18K. TD RPM 55. MM RPM 62. PUMPING 441 GPM. PSI ON/OFF 2570/2330. TORQUE ON/OFF 7510/6220. GAS UNITS 140 TO 1850. 2' TO 12' FLARE.

US ROCKIES REGION
Operation Summary Report

Well: FEDERAL 920-23JT		Spud Conductor: 9/12/2011		Spud Date: 9/20/2011	
Project: UTAH-UINTAH		Site: FEDERAL 920-23JT			Rig Name No: PROPETRO 11/11, SST 54/54
Event: DRILLING		Start Date: 9/5/2011		End Date: 10/26/2011	
Active Datum: RKB @4,865.00usft (above Mean Sea Level)			UWI: NW/SE/0/9/S/20/E/23/0/0/26/PM/S/1829/E/0/2020/0/0		

Date	Time Start-End	Duration (hr)	Phase	Code	Sub Code	P/U	MD From (usft)	Operation
10/23/2011	14:00 - 14:30	0.50	DRLPRO	07	A	P		RIG SERVICE. FUNCTION BOP.
	14:30 - 0:00	9.50	DRLPRO	02	B	P		DRLG ROTATE/SURVEY. 11,135' TO 11350'. 215' @ 22.6 FPH. WOB 20K. TD RPM 59. MM RPM 62. PUMPING 441 GPM. PSI ON/OFF 2570/2330. TORQUE ON/OFF 7510/6220. GAS UNITS 400 TO 1620. FLARE 2' TO 8'. MUD 12.0 PPG 42 VIS. MUD
								LOGGER SHOWS: 10,696' TO 10,752' B 690U, D 2050U, A 235U 11,042' TO 11,134' B 65U, D 4555U, A 240U 11,168' TO 11,218' B 50U, D 1880U, A 530U 11,232' TO 11,266' B 405U, D 1675U, A305U
	0:00 - 5:30	5.50	DRLPRO	02	B	P		DRLG ROTATE/SURVEY. 11350' TO 11516'. 166' @ 30.2 FPH. WOB 20K. TD RPM 58. MM RPM 62. PUMPING 441 GPM. PSI ON/OFF 2760/2570. TORQUE ON/OFF 8150/7140. 4 TO 6' FLARE.
	5:30 - 7:00	1.50	DRLPRO	05	A	P		CIRCULATE OUT GAS BUBBLE. 25' TO 30' FLARE.
	7:00 - 8:30	1.50	DRLPRO	02	B	P		DRLG ROTATE/SURVEY. 11516' TO 11555'. 39' @ 26 FPH. WOB 20K. TD RPM 55. MM RPM 59. PUMPING 421 GPM. PSI ON/OFF 2870/2650. TORQUE ON/OFF 8150/5220. 8' TO 10' FLARE.
	8:30 - 13:30	5.00	DRLPRO	05	B	P		CIRCULATE & CONDITION MUD. RAISE MUD WT TO 12.8 PPG. GAS CUT MUD 12.8 IN, 12.4 OUT. 10 TO 15' FLARE.
	13:30 - 21:00	7.50	DRLPRO	06	E	P		WIPER TRIP TO CASING SHOE.
	21:00 - 23:00	2.00	DRLPRO	05	C	P		CIRCULATE & CONDITION HOLE. 20' FLARE BOTTOMS UP.
	23:00 - 0:00	1.00	DRLPRO	06	D	P		TRIP OUT FOR LOGS
10/24/2011	0:00 - 5:00	5.00	DRLPRO	06	B	P		TRIP OUT OF HOLE FOR LOGS
	5:00 - 12:00	7.00	DRLPRO	11	D	P		RIG UP BAKER ATLAS. PJSM. RUN OPEN HOLE LOGS. DRILLERS DEPTH 11,555'. LOGGERS DEPTH 11,560'.
	12:00 - 14:00	2.00	DRLPRO	06	B	P		FUNCTION BOP. TRIP IN HOLE.
	14:00 - 14:30	0.50	DRLPRO	07	A	P		SERVICE RIG
	14:30 - 17:30	3.00	DRLPRO	06	B	P		TRIP IN HOLE
	17:30 - 20:00	2.50	DRLPRO	08	B	Z		REPLACE WASH PIPE & PACKING IN TOP DRIVE.
	20:00 - 20:30	0.50	DRLPRO	03	E	P		WASH 59' TO BOTTOM
	20:30 - 21:30	1.00	DRLPRO	05	A	P		CIRCULATE & CONDITION HOLE 49 VIS. 12.8 MUD WT. 20' FLARE BOTTOMS UP.
	21:30 - 0:00	2.50	DRLPRO	06	D	P		LAY DOWN DP
	0:00 - 7:00	7.00	DRLPRO	06	D	P		LAY DOWN DRILL PIPE
10/25/2011	7:00 - 7:30	0.50	DRLPRO	24	A	P		PULL WEAR BUSHING. FUNCTION BOP
	7:30 - 19:00	11.50	DRLPRO	12	C	P		RIG UP FRANKS WESTATES. PJSM. RAN 279 JTS OF 4 1/2", 11.6#, P-110, BT&C WITH WEATHERFORD FLOAT SHOE & FLOAT COLLAR LOCATED 1 JOINT ABOVE SHOE. TWO MARKER JOINTS @ 8308' & 5075'. 25 CENTRALIZERS SPACED 5' ABOVE SHOE, 2ND & 3RD COLLARS & EVERY THIRD COLLAR TO 9989'. STARTING AGAIN @ 3083' EVERYOTHER COLLAR TO 2461' WITH ON @ 2735'. LANDED CASING @ 11,552' KB.
	19:00 - 21:00	2.00	DRLPRO	05	A	P		CIRCULATE CASING WITH RIG PUMP. 20' TO 25' FLARE BOTTOMS UP.'

US ROCKIES REGION

Operation Summary Report

Well: FEDERAL 920-23JT		Spud Conductor: 9/12/2011		Spud Date: 9/20/2011	
Project: UTAH-UINTAH		Site: FEDERAL 920-23JT		Rig Name No: PROPETRO 11/11, SST 54/54	
Event: DRILLING		Start Date: 9/5/2011		End Date: 10/26/2011	
Active Datum: RKB @4,865.00usft (above Mean Sea Level)		UWI: NW/SE/0/9/S/20/E/23/0/0/26/PM/S/1829/E/0/2020/0/0			

Date	Time Start-End	Duration (hr)	Phase	Code	Sub Code	P/U	MD From (usft)	Operation
	21:00 - 0:00	3.00	DRLPRO	12	E	P		PJSM. RIG UP BJ & CEMENT CASING WITH 831 SX LEAD CEMENT WITH 6% GEL, 0.4% R3,0.25 PPS CELLOFLAKE, & 5PPS KOLSEAL TAILED IN WITH 1772 SX OF 50/50 POZ WITH 2% GEL, 10% SALT, & 2% R-3. PUMPED 5 BBL FRESH WATER & 8 BBL SCAVENGER SLURRY FLUSH AHEAD OF CEMENT. MIXED LEAD CEMENT TO 13.0 PPG WITH YIELD OF 1.77 CF/SX. MIXED TAIL CEMENT TO 14.3 PPG WITH YIELD OF 1.31 CF/SX. DISPLACED WITH 179 BBL FRESH WATER WITH CLAYCARE & 1 GAL. MAGNACIDE. LOST RETURNS WHEN DROPPING PLUG FOR DISPLACEMENT. LIFT PRESSURE 3350 PSI. BUMPED PLUG TO 4100 PSI @ 00:03, 10/26/11. FLOATS HELD. HOLE STOOD FULL. TOP OF TAIL CEMENT 4570'
10/26/2011	0:00 - 1:00	1.00	DRLPRO	12	E	P		CEMENT 4 1/2" CASING. BUMP PLUG TO 4100 PSI @ 00:03, 10/26/11. LIFT PRESSURE 3350 PSI . RIG DOWN BJ.
	1:00 - 3:30	2.50	DRLPRO	14	A	P		SET SLIPS ON 4 1/2" CASING WITH 110K. PICK UP BOP AND CUT OFF CASING.
	3:30 - 8:00	4.50	DRLPRO	01	E	P		NIPPLE DOWN AND CLEAN MUD TANKS. RELEASE RIG @ 08:00 10/26/2011.

1 General

1.1 Customer Information

Company	US ROCKIES REGION
Representative	
Address	

1.2 Well/Wellbore Information

Well	FEDERAL 920-23JT	Wellbore No.	OH
Well Name	FEDERAL 920-23JT	Wellbore Name	FEDERAL 920-23JT
Report No.	1	Report Date	11/14/2011
Project	UTAH-UINTAH	Site	FEDERAL 920-23JT
Rig Name/No.		Event	COMPLETION
Start Date	11/14/2011	End Date	11/19/2011
Spud Date	9/20/2011	Active Datum	RKB @4,865.00usft (above Mean Sea Level)
UWI	NW/SE/0/9/S/20/E/23/0/0/26/PM/S/1829/E/0/2020/0/0		

1.3 General

Contractor	JW WIRELINE	Job Method		Supervisor	STEVE WALL, SR.
Perforated Assembly	PRODUCTION CASING	Conveyed Method			

1.4 Initial Conditions

Fluid Type		Fluid Density		Gross Interval	8,666.0 (usft)-11,390.0 (usft)	Start Date/Time	11/17/2011 12:00AM
Surface Press		Estimate Res Press		No. of Intervals	34	End Date/Time	11/17/2011 12:00AM
TVD Fluid Top		Fluid Head		Total Shots	171	Net Perforation Interval	50.00 (usft)
Hydrostatic Press		Press Difference		Avg Shot Density	3.42 (shot/ft)	Final Surface Pressure	
Balance Cond	NEUTRAL					Final Press Date	

1.5 Summary

2 Intervals

2.1 Perforated Interval

Date	Formation/ Reservoir	CCL@ (usft)	CCL-T S (usft)	MD Top (usft)	MD Base (usft)	Shot Density (shot/ft)	Misfires/ Add. Shot	Diameter (in)	Carr Type /Carr Manuf	Carr Size (in)	Phasing (°)	Charge Desc /Charge Manufacturer	Charge Weight (gram)	Reason	Misrun
11/17/2011 12:00AM	MESAVERDE/			8,666.0	8,667.0	3.00		0.360	EXP/	3.375	120.00		23.00	PRODUCTIO N	

2.1 Perforated Interval (Continued)

Date	Formation/ Reservoir	CCL@ (usft)	CCL-T S (usft)	MD Top (usft)	MD Base (usft)	Shot Density (shot/ft)	Misfires/ Add. Shot	Diamete r (in)	Carr Type /Carr Manuf	Carr Size (in)	Phasing (°)	Charge Desc /Charge Manufacturer	Charge Weight (gram)	Reason	Misrun
11/17/201 1 12:00AM	MESAVERDE/			8,732.0	8,733.0	4.00		0.360	EXP/	3.375	90.00		23.00	PRODUCTIO N	
11/17/201 1 12:00AM	MESAVERDE/			8,796.0	8,797.0	4.00		0.360	EXP/	3.375	90.00		23.00	PRODUCTIO N	
11/17/201 1 12:00AM	MESAVERDE/			8,848.0	8,849.0	4.00		0.360	EXP/	3.375	90.00		23.00	PRODUCTIO N	
11/17/201 1 12:00AM	MESAVERDE/			8,863.0	8,864.0	3.00		0.360	EXP/	3.375	120.00		23.00	PRODUCTIO N	
11/17/201 1 12:00AM	MESAVERDE/			8,881.0	8,882.0	3.00		0.360	EXP/	3.375	120.00		23.00	PRODUCTIO N	
11/17/201 1 12:00AM	MESAVERDE/			8,917.0	8,918.0	3.00		0.360	EXP/	3.375	120.00		23.00	PRODUCTIO N	
11/17/201 1 12:00AM	MESAVERDE/			9,358.0	9,360.0	4.00		0.360	EXP/	3.375	90.00		23.00	PRODUCTIO N	
11/17/201 1 12:00AM	MESAVERDE/			9,412.0	9,414.0	4.00		0.360	EXP/	3.375	90.00		23.00	PRODUCTIO N	
11/17/201 1 12:00AM	MESAVERDE/			9,434.0	9,436.0	4.00		0.360	EXP/	3.375	90.00		23.00	PRODUCTIO N	
11/17/201 1 12:00AM	MESAVERDE/			9,512.0	9,514.0	3.00		0.360	EXP/	3.375	120.00		23.00	PRODUCTIO N	
11/17/201 1 12:00AM	MESAVERDE/			9,544.0	9,546.0	3.00		0.360	EXP/	3.375	120.00		23.00	PRODUCTIO N	
11/17/201 1 12:00AM	MESAVERDE/			9,660.0	9,661.0	3.00		0.360	EXP/	3.375	120.00		23.00	PRODUCTIO N	
11/17/201 1 12:00AM	MESAVERDE/			9,686.0	9,687.0	3.00		0.360	EXP/	3.375	120.00		23.00	PRODUCTIO N	
11/17/201 1 12:00AM	MESAVERDE/			9,742.0	9,744.0	3.00		0.360	EXP/	3.375	120.00		23.00	PRODUCTIO N	

2.1 Perforated Interval (Continued)

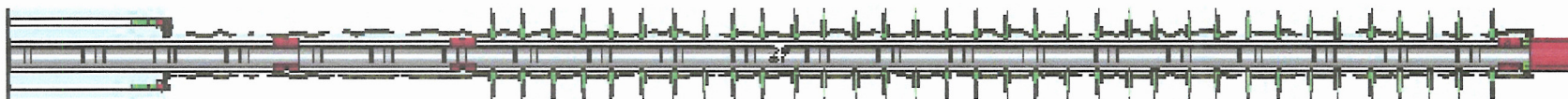
Date	Formation/ Reservoir	CCL@ (usft)	CCL-T S (usft)	MD Top (usft)	MD Base (usft)	Shot Density (shot/ft)	Misfires/ Add. Shot	Diameter (in)	Carr Type /Carr Manuf	Carr Size (in)	Phasing (°)	Charge Desc /Charge Manufacturer	Charge Weight (gram)	Reason	Misrun
11/17/2011 12:00AM	MESAVERDE/			9,829.0	9,830.0	4.00		0.360	EXP/	3.375	90.00		23.00	PRODUCTION	
11/17/2011 12:00AM	MESAVERDE/			9,866.0	9,867.0	4.00		0.360	EXP/	3.375	90.00		23.00	PRODUCTION	
11/17/2011 12:00AM	MESAVERDE/			9,903.0	9,904.0	4.00		0.360	EXP/	3.375	90.00		23.00	PRODUCTION	
11/17/2011 12:00AM	MESAVERDE/			9,915.0	9,916.0	4.00		0.360	EXP/	3.375	90.00		23.00	PRODUCTION	
11/17/2011 12:00AM	MESAVERDE/			9,944.0	9,945.0	4.00		0.360	EXP/	3.375	90.00		23.00	PRODUCTION	
11/17/2011 12:00AM	MESAVERDE/			10,041.0	10,042.0	4.00		0.360	EXP/	3.375	90.00		23.00	PRODUCTION	
11/17/2011 12:00AM	MESAVERDE/			11,020.0	11,024.0	4.00		0.360	EXP/	3.375	90.00		23.00	PRODUCTION	
11/17/2011 12:00AM	MESAVERDE/			11,030.0	11,032.0	4.00		0.360	EXP/	3.375	90.00		23.00	PRODUCTION	
11/17/2011 12:00AM	MESAVERDE/			11,072.0	11,073.0	3.00		0.360	EXP/	3.375	120.00		23.00	PRODUCTION	
11/17/2011 12:00AM	MESAVERDE/			11,084.0	11,086.0	3.00		0.360	EXP/	3.375	120.00		23.00	PRODUCTION	
11/17/2011 12:00AM	MESAVERDE/			11,106.0	11,108.0	3.00		0.360	EXP/	3.375	120.00		23.00	PRODUCTION	
11/17/2011 12:00AM	MESAVERDE/			11,120.0	11,121.0	3.00		0.360	EXP/	3.375	120.00		23.00	PRODUCTION	
11/17/2011 12:00AM	MESAVERDE/			11,176.0	11,177.0	3.00		0.360	EXP/	3.375	120.00		23.00	PRODUCTION	
11/17/2011 12:00AM	MESAVERDE/			11,186.0	11,188.0	3.00		0.360	EXP/	3.375	120.00		23.00	PRODUCTION	

2.1 Perforated Interval (Continued)

Date	Formation/ Reservoir	CCL@ (usft)	CCL-T S (usft)	MD Top (usft)	MD Base (usft)	Shot Density (shot/ft)	Misfires/ Add. Shot	Diamete r (in)	Carr Type /Carr Manuf	Carr Size (in)	Phasing (°)	Charge Desc /Charge Manufacturer	Charge Weight (gram)	Reason	Misrun
11/17/2011 12:00AM	MESAVERDE/			11,270.0	11,271.0	3.00		0.360	EXP/	3.375	120.00		23.00	PRODUCTIO N	
11/17/2011 12:00AM	MESAVERDE/			11,288.0	11,290.0	3.00		0.360	EXP/	3.375	120.00		23.00	PRODUCTIO N	
11/17/2011 12:00AM	MESAVERDE/			11,306.0	11,308.0	3.00		0.360	EXP/	3.375	120.00		23.00	PRODUCTIO N	
11/17/2011 12:00AM	MESAVERDE/			11,320.0	11,322.0	3.00		0.360	EXP/	3.375	120.00		23.00	PRODUCTIO N	
11/17/2011 12:00AM	MESAVERDE/			11,389.0	11,390.0	3.00		0.360	EXP/	3.375	120.00		23.00	PRODUCTIO N	

3 Plots

3.1 Wellbore Schematic



US ROCKIES REGION
Operation Summary Report

Well: FEDERAL 920-23JT		Spud Conductor: 9/12/2011		Spud Date: 9/20/2011	
Project: UTAH-UINTAH		Site: FEDERAL 920-23JT		Rig Name No: SWABBCO 6/6	
Event: COMPLETION		Start Date: 11/14/2011		End Date: 11/19/2011	
Active Datum: RKB @4,865.00usft (above Mean Sea Level)		UWI: NW/SE/0/9/S/20/E/23/0/0/26/PM/S/1829/E/0/2020/0/0			

Date	Time Start-End	Duration (hr)	Phase	Code	Sub Code	P/U	MD From (usft)	Operation
11/14/2011	7:00 - 7:30	0.50	COMP	48		P		HSM, MOVEING RIG & EQUIP
	7:30 - 12:00	4.50	COMP	30	A	P		RD OFF NBU 921-35P1CS, MIRU, ND WH NU 10-K BOPS.
	12:00 - 17:00	5.00	COMP	31	I	P		TALLY & PU 37/8 BIT, 267 JTS 23/8 L-80 OFF FLOAT EOT @ 8478' SWI SDFN.
11/15/2011	7:00 - 7:30	0.50	COMP	48		P		HSM, PICKING UP TBG OFF FLOAT.
	7:30 - 10:30	3.00	COMP	31	I	P		SICP O, PU REM 5 JTS 23/8 TBG OFF FLOAT 272 TOTAL EOT @ 8634', POOH W/ 272 JTS IN DERICK, L/D BIT. ND BOPS NU FV.
	10:30 - 15:00	4.50	COMP	33	C	P		RU B&C TEST 41/2 CSG TO 1,012 # FOR 15 MIN, LOST 12 PSI, TEST TO 3543 # FOR 15 MIN, LOST 31 PSI, TEST TO 9050 # FOR 30 MIN LOST 107 PSI.
11/16/2011	7:00 - 7:30	0.50	COMP	48		P		HSM, WORKING W/ WIRELINE.
	7:30 - 15:00	7.50	COMP	34	H	P		SICP O, RU JW WIRELINE, RIH W/ 41/2 EXP 23 GRM, .36" HOLES, 120 DEG PHASING GNS, PERF 1ST STG AS OF PROCEDURE, POOH SWI PREP TO FRAC 11/17/11. SDFD
11/17/2011	7:00 - 7:30	0.50	COMP	48		P		HSM, WORKING W/ WIRELINE & FRAC CREW, STAYINGB AWAY F/ HIGH PRESSURE LINES.
	7:30 - 13:38	6.13	COMP	36	E	P		MIRU SUPERIOR, PRIME PUMPS & LINES, TEST TO 9750 PSI, FOR 5 MIN LOST 580 PSI, SET POPOFF @ 8800 PSI, SET KICK OUTS @ #1 8600 PSI, #2 8600 PSI, #3 8600 PSI, #4 8600 PSI, #5 8600 PSI, #6 8600 PSI. (START @ 11:55)
	13:38 - 18:23	4.75	COMP	36	E	P		(STG# 1) WHP 2200 PSI, BRK 4400 PSI @ 3.6 BPM. ISIP 3728 PSI, FG .77. SPOT ACID ON PERFS, SHUT DWN LET SOAK FOR 5 MIN. CALC HOLES OPEN @ 50.2 BPM @ 8153 PSI = 67% HOLES OPEN. MP 8195 PSI, MR 52.5 BPM, AP 7543 PSI, AR 50.5 BPM
11/18/2011	18:23 - 20:30	2.12	COMP	34	H	P		ISIP 3639 PSI, FG .76 NPI -89 PSI. (STG # 2) PU 41/2 HAL 10-K CBP & 31/8 EXP 23 GRM .36" HLS, 120 DEG PHASING, SET CBP @ 11,218' PERF AS OF PROCEDURE. WHP 3070 PSI, BRK 4356 PSI @ 3.5 BPM. ISIP 3627 PSI, FG .76.
	7:00 - 7:30	0.50	COMP	48		P		CALC HOLES OPEN @ 50.9 BPM @ 7132 PSI = 76% HOLES OPEN. MP 8090 PSI, MR 52.1 BPM, AP 6693 PSI, AR 46.2 BPM
								ISIP 3631 PSI, FG .76 NPI 4 PSI. HAD TO SHUT DWN DURING JOB, PUMP #3 WASHED OUT CHICKSAN @ PUMP.

US ROCKIES REGION
Operation Summary Report

Well: FEDERAL 920-23JT		Spud Conductor: 9/12/2011	Spud Date: 9/20/2011
Project: UTAH-UINTAH		Site: FEDERAL 920-23JT	Rig Name No: SWABBCO 6/6
Event: COMPLETION		Start Date: 11/14/2011	End Date: 11/19/2011
Active Datum: RKB @4,865.00usft (above Mean Sea Level)		UWI: NW/SE/0/9/S/20/E/23/0/0/26/PM/S/1829/E/0/2020/0/0	

Date	Time Start-End	Duration (hr)	Phase	Code	Sub Code	P/U	MD From (usft)	Operation
	7:30 - 9:12	1.70	COMP	36	E	P		(STG #3) REPAIR PUMP # 3 & TEST SAME, PRIME UP HELD SAFETY MEETING,(START 8:25 AM) WHP 3272 PSI, BRK 5061 PSI @ 4.0 BPM. ISIP 4230 PSI, FG .82. CALC HOLES OPEN @ 45.6 BPM @ 8150 PSI = 64% HOLES OPEN. MP 8206 PSI, MR 51.3 BPM, AP 7765 PSI, AR 47.7 BPM ISIP 3727 PSI, FG .78 NPI -503 PSI.(SHORT OF SAND BY 33,179 LBS TLC)
	9:12 - 11:13	2.02	COMP	36	E	P		(STG # 4) PU 41/2 HAL 8-K CBP & 31/8 EXP 23 GRM .36" HLS, 90 DEG PHASING, SET CBP @ 10,073' PERF AS OF PROCEDURE. CHANGE POPOFF TO 6800 PSI, SET KICK OUTS ON TRUCKS 6800 ON 4 TRKS, 6800 ON 2 TRKS. WHP 1990 PSI, BRK 3268 PSI @ 3.5 BPM. ISIP 2832 PSI, FG .72. CALC HOLES OPEN @ 31.4 BPM @ 5512 PSI = 62% HOLES OPEN. MP 6403 PSI, MR 43.7 BPM, AP 6151 PSI, AR 40.9 BPM ISIP 3399 PSI, FG .78 NPI 567 PSI.
	11:13 - 13:01	1.80	COMP	36	D	P		(STG #5) PU 41/2 HAL 8-K CBP & 31/8 EXP 23 GRM .36" HLS, 120 DEG PHASING, SET CBP @ 9774' PERF AS OF PROCEDURE. WHP 2321 PSI, BRK 4652 PSI @ 3.6 BPM. ISIP 2884 PSI, FG .74. CALC HOLES OPEN @ 44.6 BPM @ 5974 PSI = 72% HOLES OPEN. MP 6271 PSI, MR 51.8 BPM, AP 5914 PSI, AR 48.9 BPM ISIP 2929 PSI, FG .74 NPI 45 PSI.
	13:01 - 14:31	1.50	COMP	36	E	P		(STG # 6) PU 41/2 HAL 8-K CBP & 31/8 EXP 23 GRM .36" HLS, 90 DEG PHASING, SET CBP @ 9466' PERF AS OF PROCEDURE. WHP 1951 PSI, BRK 3618 PSI @ 4.0 BPM. ISIP 2388 PSI, FG .69. CALC HOLES OPEN @ 47.7 BPM @ 6042 PSI = 68% HOLES OPEN. MP 6362 PSI, MR 49.3 BPM, AP 5942 PSI, AR 45.9 BPM ISIP 3039 PSI, FG .76 NPI 651 PSI.

US ROCKIES REGION
Operation Summary Report

Well: FEDERAL 920-23JT		Spud Conductor: 9/12/2011		Spud Date: 9/20/2011	
Project: UTAH-UINTAH		Site: FEDERAL 920-23JT			Rig Name No: SWABBCO 6/6
Event: COMPLETION		Start Date: 11/14/2011		End Date: 11/19/2011	
Active Datum: RKB @4,865.00usft (above Mean Sea Level)			UWI: NW/SE/0/9/S/20/E/23/0/0/26/PM/S/1829/E/0/2020/0/0		

Date	Time Start-End	Duration (hr)	Phase	Code	Sub Code	P/U	MD From (usft)	Operation
	14:31 - 18:31	4.00	COMP					(STG #7) PU 41/2 HAL 8-K CBP & 31/8 EXP 23 GRM .36" HLS, 90 & 120 DEG PHASING, SET CBP @ 8948' PERF AS OF PROCEDURE,(DIDN'T PERF F/ 8863'- 8864 3SPF 3 HLS) MISTAKE ON LOADING GUNS. WHP 1521 PSI, BRK 3128 PSI @ 3.6 BPM. ISIP 2376 PSI, FG .71. CALC HOLES OPEN @ 38. BPM @ 5864 PSI = 65% HOLES OPEN. MP 6362 PSI, MR 49.3 BPM, AP 5942 PSI, AR 45.9 BPM ISIP 3039 PSI, FG .76 NPI 651 PSI. TOTAL 267,909 LBS 30/50 TLC TOTAL 39,358 LBS 30/50 OTTAWA TOTAL 15,379 BBLs WATER TOTAL 929 GALS SCALE INH TOTAL 340 GALS BIOCIDES
	18:31 - 19:00	0.48	COMP	34	I	P		(KILL PLUG) RIH W/ 41/2 8-K CBP & SET @ 8616', POOH SWM RD WIRELINE & FRAC CREW. SDFN HSM,PINCH POINTS
11/19/2011	7:00 - 7:30	0.50	COMP	48		P		SICP 0, ND FV, NU 10-K BOPS & HYD, RU FLOOR, RIH W/ 37/8 BIT, POBS, 272 JTS 23/8 L-80 OUT OF DERICK, RU DRLG EQUIP,
	7:30 - 10:00	2.50	COMP	31	I	P		

US ROCKIES REGION

Operation Summary Report

Well: FEDERAL 920-23JT		Spud Conductor: 9/12/2011		Spud Date: 9/20/2011	
Project: UTAH-UINTAH		Site: FEDERAL 920-23JT		Rig Name No: SWABBCO 6/6	
Event: COMPLETION		Start Date: 11/14/2011		End Date: 11/19/2011	
Active Datum: RKB @4,865.00usft (above Mean Sea Level)		UWI: NW/SE/0/9/S/20/E/23/0/0/26/PM/S/1829/E/0/2020/0/0			

Date	Time Start-End	Duration (hr)	Phase	Code	Sub Code	P/U	MD From (usft)	Operation
	10:00 - 17:30	7.50	COMP	44	C	P		<p>BROKE CIRC CONVENTIONAL, TEST BOPS TO 3,000# FOR 15 MIN NO PSI LOSS. RIH.</p> <p>C/O 5' SAND TAG 1ST PLUG @ 8616' DRL PLG IN 12 MIN, 1000# PSI INCREASE RIH.</p> <p>C/O 20' SAND TAG 2ND PLUG @ 8948' DRL PLG IN 12 MIN, 1100# PSI INCREASE RIH.</p> <p>C/O 15' SAND TAG 3RD PLUG @ 9466' DRL PLG IN 10 MIN, 1100# PSI INCREASE RIH.</p> <p>C/O 15' SAND TAG 4TH PLUG @ 9774' DRL PLG IN 5 MIN, 600# PSI INCREASE RIH</p> <p>C/O 15' SAND TAG 5TH PLUG @ 10,072' DRL PLG IN 11 MIN, 600# PSI INCREASE RIH</p> <p>C/O 25' SAND TAG 6TH PLUG @ 11,058' DRL PLG IN 11 MIN, 1100# PSI INCREASE RIH</p> <p>C/O 30' SAND TAG 7TH PLUG @ 11,218' DRL PLG IN 16 MIN, 400# PSI INCREASE RIH</p> <p>C/O TO 11,510', CIRC CLN, L/D 14 JTS. LAND TBG ON 348 JTS 23/8 L-80. ND BOPS NU WH, PUMP OFF BIT, TURN WELL OVER TO FB CREW.</p> <p>KB= 15' (SURFACE OPEN W/ POPOFF) HANGER = .83' SICP 2600 PSI, FTP 200 PSI 348 JTS 23/8 L-80 = 11,036.76' POBS W/ 1.875 X/N = 2.20' EOT @ 11,054.79'</p> <p>TWTR 15,619 BBLS TWR 1600 BBLS TWLTR 14,019 BBLS</p> <p>368 JTD HAULED OUT 348 LANDED 20 TO RETURN</p>

1 General**1.1 Customer Information**

Company	US ROCKIES REGION
Representative	
Address	

1.2 Well Information

Well	FEDERAL 920-23JT	Wellbore No.	OH
Well Name	FEDERAL 920-23JT	Common Name	FEDERAL 920-23JT
Project	UTAH-UINTAH	Site	FEDERAL 920-23JT
Vertical Section	0.00 (°)	North Reference	True
Azimuth			
Origin N/S		Origin E/W	
Spud Date	9/20/2011	UWI	NW/SE/0/9/S/20/E/23/0/0/26/PM/S/1829/E/0/202 0/0/0
Active Datum	RKB @4,865.00usft (above Mean Sea Level)		

2 Survey Name**2.1 Survey Name: SURFACE**

Survey Name	SURFACE	Company	WEATHERFORD
Started	9/21/2011	Ended	
Tool Name	MWD	Engineer	Anadarko Employee

2.1.1 Tie On Point

MD (usft)	Inc (°)	Azi (°)	TVD (usft)	N/S (usft)	E/W (usft)
14.00	0.00	0.00	14.00	0.00	0.00

2.1.2 Survey Stations

Date	Type	MD (usft)	Inc (°)	Azi (°)	TVD (usft)	N/S (usft)	E/W (usft)	V. Sec (usft)	DLeg (°/100usft)	Build (°/100usft)	Turn (°/100usft)	TFace (°)
9/21/2011	Tie On	14.00	0.00	0.00	14.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
9/21/2011	NORMAL	190.00	0.85	283.94	189.99	0.31	-1.27	0.31	0.48	0.48	0.00	283.94
	NORMAL	452.00	0.86	271.70	451.96	0.84	-5.12	0.84	0.07	0.00	-4.67	-93.00
	NORMAL	752.00	1.03	273.15	751.92	1.06	-10.06	1.06	0.06	0.06	0.48	8.73
	NORMAL	1,052.00	0.88	259.01	1,051.88	0.76	-15.02	0.76	0.09	-0.05	-4.71	-129.41
	NORMAL	1,352.00	0.94	227.01	1,351.85	-1.35	-19.08	-1.35	0.17	0.02	-10.67	-99.44
	NORMAL	1,652.00	0.88	212.38	1,651.81	-4.98	-22.11	-4.98	0.08	-0.02	-4.88	-111.72
	NORMAL	1,952.00	1.13	208.51	1,951.76	-9.52	-24.76	-9.52	0.09	0.08	-1.29	-17.13

2.2 Survey Name: PRODUCTION

Survey Name	PRODUCTION	Company	SCIENTIFIC DRILLING INTL
Started	10/14/2011	Ended	
Tool Name	MWD	Engineer	Anadarko Employee

2.2.1 Tie On Point

MD (usft)	Inc (°)	Azi (°)	TVD (usft)	N/S (usft)	E/W (usft)
1,952.00	1.13	208.51	1,651.81	-4.98	-22.11

2.2.2 Survey Stations

Date	Type	MD (usft)	Inc (°)	Azi (°)	TVD (usft)	N/S (usft)	E/W (usft)	V. Sec (usft)	DLeg (°/100usft)	Build (°/100usft)	Turn (°/100usft)	TFace (°)
10/14/2011	Tie On	1,952.00	1.13	208.51	1,651.81	-4.98	-22.11	-4.98	0.08	-0.02	-4.88	248.28
10/14/2011	NORMAL	2,775.00	1.10	172.10	2,474.66	-19.93	-24.90	-19.93	0.08	0.00	-4.42	249.46
	NORMAL	2,871.00	1.50	140.70	2,570.64	-21.82	-23.98	-21.82	0.84	0.42	-32.71	283.00
	NORMAL	2,966.00	1.10	155.20	2,665.62	-23.61	-22.81	-23.61	0.54	-0.42	15.26	147.66
	NORMAL	3,253.00	1.50	153.80	2,952.54	-29.48	-19.99	-29.48	0.14	0.14	-0.49	354.76
	NORMAL	3,444.00	1.40	158.10	3,143.48	-33.89	-18.02	-33.89	0.08	-0.05	2.25	134.72
10/15/2011	NORMAL	3,826.00	0.90	140.10	3,525.40	-40.52	-14.35	-40.52	0.16	-0.13	-4.71	207.08
	NORMAL	3,921.00	1.10	180.60	3,620.39	-42.00	-13.88	-42.00	0.75	0.21	42.63	95.08
	NORMAL	4,017.00	1.40	251.40	3,716.37	-43.30	-15.00	-43.30	1.53	0.31	73.75	115.81
	NORMAL	4,112.00	1.80	238.70	3,811.33	-44.44	-17.38	-44.44	0.56	0.42	-13.37	311.98
	NORMAL	4,207.00	0.70	265.40	3,906.31	-45.26	-19.23	-45.26	1.28	-1.16	28.11	165.01
	NORMAL	4,398.00	1.80	255.70	4,097.26	-46.10	-23.30	-46.10	0.58	0.58	-5.08	344.24
	NORMAL	4,684.00	1.40	252.80	4,383.15	-48.24	-30.99	-48.24	0.14	-0.14	-1.01	190.00
	NORMAL	4,969.00	2.40	211.40	4,668.00	-54.36	-37.43	-54.36	0.57	0.35	-14.53	284.17
	NORMAL	5,160.00	2.20	168.70	4,858.86	-61.37	-38.79	-61.37	0.88	-0.10	-22.36	242.32
	NORMAL	5,256.00	1.50	201.90	4,954.81	-64.35	-38.90	-64.35	1.30	-0.73	34.58	139.00
	NORMAL	5,356.00	1.38	209.91	5,054.78	-66.60	-39.99	-66.60	0.23	-0.12	8.01	124.76
10/16/2011	NORMAL	5,451.00	0.62	191.28	5,149.77	-68.10	-40.66	-68.10	0.86	-0.80	-19.61	194.03
	NORMAL	5,547.00	1.06	78.17	5,245.76	-68.43	-39.89	-68.43	1.48	0.46	-117.82	223.26
	NORMAL	5,642.00	2.13	51.22	5,340.72	-67.14	-37.66	-67.14	1.35	1.13	-28.37	310.99
	NORMAL	5,738.00	2.02	53.91	5,436.66	-65.03	-34.90	-65.03	0.15	-0.11	2.80	139.82
	NORMAL	5,833.00	1.76	45.82	5,531.61	-63.02	-32.50	-63.02	0.39	-0.27	-8.52	221.75
	NORMAL	5,929.00	1.85	41.16	5,627.56	-60.83	-30.42	-60.83	0.18	0.09	-4.85	299.17
	NORMAL	6,024.00	2.46	22.35	5,722.50	-57.79	-28.64	-57.79	0.98	0.64	-19.80	301.12
	NORMAL	6,116.00	2.11	24.64	5,814.42	-54.42	-27.18	-54.42	0.39	-0.38	2.49	166.52
	NORMAL	6,215.00	2.11	24.90	5,913.36	-51.12	-25.65	-51.12	0.01	0.00	0.26	90.13
	NORMAL	6,309.00	1.85	20.86	6,007.30	-48.13	-24.38	-48.13	0.31	-0.28	-4.30	206.22
	NORMAL	6,405.00	1.58	17.34	6,103.26	-45.42	-23.44	-45.42	0.30	-0.28	-3.67	199.56
	NORMAL	6,500.00	2.29	20.25	6,198.20	-42.39	-22.39	-42.39	0.75	0.75	3.06	9.34
	NORMAL	6,596.00	2.25	20.97	6,294.13	-38.83	-21.05	-38.83	0.05	-0.04	0.75	144.87
	NORMAL	6,691.00	1.76	26.05	6,389.07	-35.77	-19.75	-35.77	0.55	-0.52	5.35	162.59
10/17/2011	NORMAL	6,787.00	1.61	31.10	6,485.03	-33.30	-18.40	-33.30	0.22	-0.16	5.26	137.79
	NORMAL	6,882.00	1.49	27.01	6,579.99	-31.05	-17.15	-31.05	0.17	-0.13	-4.31	220.64
	NORMAL	6,977.00	1.32	36.68	6,674.96	-29.07	-15.94	-29.07	0.31	-0.18	10.18	130.41
	NORMAL	7,073.00	1.58	19.81	6,770.93	-26.94	-14.83	-26.94	0.52	0.27	-17.57	292.73
	NORMAL	7,168.00	1.85	16.73	6,865.89	-24.24	-13.94	-24.24	0.30	0.28	-3.24	339.61
	NORMAL	7,263.00	1.85	22.27	6,960.84	-21.35	-12.92	-21.35	0.19	0.00	5.83	92.77
	NORMAL	7,359.00	1.58	24.20	7,056.80	-18.71	-11.79	-18.71	0.29	-0.28	2.01	168.89
	NORMAL	7,454.00	1.49	29.30	7,151.76	-16.44	-10.65	-16.44	0.17	-0.09	5.37	125.91
	NORMAL	7,550.00	1.58	33.08	7,247.73	-14.24	-9.32	-14.24	0.14	0.09	3.94	50.27
	NORMAL	7,645.00	1.13	45.24	7,342.70	-12.49	-7.94	-12.49	0.56	-0.47	12.80	153.40
	NORMAL	7,741.00	1.23	27.36	7,438.68	-10.90	-6.79	-10.90	0.40	0.10	-18.63	276.14
	NORMAL	7,836.00	2.29	29.74	7,533.64	-8.35	-5.38	-8.35	1.12	1.12	2.51	5.13
	NORMAL	7,931.00	2.46	23.41	7,628.56	-4.83	-3.63	-4.83	0.33	0.18	-6.66	299.76
	NORMAL	8,026.00	2.29	25.34	7,723.47	-1.25	-2.01	-1.25	0.20	-0.18	2.03	155.77
	NORMAL	8,122.00	1.93	27.28	7,819.41	1.92	-0.44	1.92	0.38	-0.38	2.02	169.75
10/18/2011	NORMAL	8,217.00	1.93	32.11	7,914.35	4.70	1.14	4.70	0.17	0.00	5.08	92.41
	NORMAL	8,313.00	1.49	38.97	8,010.31	7.04	2.78	7.04	0.50	-0.46	7.15	158.45
	NORMAL	8,409.00	1.58	51.18	8,106.28	8.84	4.60	8.84	0.35	0.09	12.72	80.77

2.2.2 Survey Stations (Continued)

Date	Type	MD (usft)	Inc (°)	Azi (°)	TVD (usft)	N/S (usft)	E/W (usft)	V. Sec (usft)	DLeg (°/100usft)	Build (°/100usft)	Turn (°/100usft)	TFace (°)
10/18/2011	NORMAL	8,504.00	1.58	61.99	8,201.24	10.28	6.78	10.28	0.31	0.00	11.38	95.40
	NORMAL	8,599.00	1.41	74.65	8,296.21	11.20	9.06	11.20	0.39	-0.18	13.33	123.47
	NORMAL	8,704.00	1.49	81.33	8,401.18	11.75	11.66	11.75	0.18	0.08	6.36	68.04
	NORMAL	8,789.00	1.39	84.20	8,486.15	12.02	13.77	12.02	0.15	-0.12	3.38	145.63
	NORMAL	8,884.00	1.14	87.66	8,581.13	12.17	15.86	12.17	0.28	-0.26	3.64	164.73
	NORMAL	8,980.00	1.41	95.13	8,677.10	12.11	18.00	12.11	0.33	0.28	7.78	35.39
	NORMAL	9,074.00	1.85	97.33	8,771.06	11.81	20.65	11.81	0.47	0.47	2.34	9.20
10/19/2011	NORMAL	9,170.00	2.11	100.67	8,867.01	11.29	23.93	11.29	0.30	0.27	3.48	25.61
	NORMAL	9,360.00	1.76	93.63	9,056.90	10.45	30.27	10.45	0.22	-0.18	-3.71	210.70
	NORMAL	9,456.00	1.67	93.28	9,152.85	10.28	33.14	10.28	0.09	-0.09	-0.36	186.46
	NORMAL	9,552.00	1.67	95.22	9,248.81	10.07	35.93	10.07	0.06	0.00	2.02	90.97
	NORMAL	9,647.00	1.93	94.34	9,343.77	9.83	38.91	9.83	0.28	0.27	-0.93	353.49
	NORMAL	9,743.00	1.67	95.66	9,439.72	9.57	41.91	9.57	0.27	-0.27	1.38	171.60
	NORMAL	9,838.00	1.67	95.30	9,534.68	9.30	44.67	9.30	0.01	0.00	-0.38	269.82
10/20/2011	NORMAL	9,933.00	1.58	96.97	9,629.64	9.01	47.34	9.01	0.11	-0.09	1.76	153.08
	NORMAL	10,029.00	1.67	92.67	9,725.60	8.79	50.06	8.79	0.16	0.09	-4.48	304.27
	NORMAL	10,125.00	1.76	94.34	9,821.56	8.61	52.92	8.61	0.11	0.09	1.74	29.88
	NORMAL	10,220.00	1.67	101.72	9,916.52	8.22	55.73	8.22	0.25	-0.09	7.77	115.83
	NORMAL	10,316.00	1.67	99.08	10,012.48	7.72	58.48	7.72	0.08	0.00	-2.75	268.68
	NORMAL	10,410.00	1.93	109.89	10,106.43	6.96	61.32	6.96	0.45	0.28	11.50	58.04
	NORMAL	10,506.00	1.23	116.13	10,202.39	5.96	63.77	5.96	0.75	-0.73	6.50	169.30
10/22/2011	NORMAL	10,601.00	0.88	124.66	10,297.38	5.09	65.29	5.09	0.40	-0.37	8.98	160.06
	NORMAL	10,707.00	1.05	122.35	10,403.36	4.11	66.78	4.11	0.16	0.16	-2.18	345.95
	NORMAL	10,802.00	1.06	123.43	10,498.35	3.16	68.24	3.16	0.02	0.01	1.14	63.84
	NORMAL	10,898.00	1.14	131.43	10,594.33	2.04	69.70	2.04	0.18	0.08	8.33	66.52
	NORMAL	10,993.00	1.32	131.16	10,689.31	0.69	71.23	0.69	0.19	0.19	-0.28	358.02
	NORMAL	11,089.00	1.58	126.94	10,785.28	-0.83	73.12	-0.83	0.29	0.27	-4.40	335.55
	NORMAL	11,184.00	1.58	131.08	10,880.24	-2.48	75.16	-2.48	0.12	0.00	4.36	92.07
10/23/2011	NORMAL	11,279.00	1.49	131.51	10,975.21	-4.16	77.07	-4.16	0.10	-0.09	0.45	172.92
	NORMAL	11,375.00	1.76	131.60	11,071.17	-5.96	79.11	-5.96	0.28	0.28	0.09	0.59
	NORMAL	11,470.00	1.76	131.60	11,166.12	-7.90	81.29	-7.90	0.00	0.00	0.00	0.00
	NORMAL	11,508.00	1.76	127.38	11,204.10	-8.64	82.19	-8.64	0.34	0.00	-11.11	267.89
	NORMAL	11,555.00	1.78	126.58	11,251.08	-9.51	83.35	-9.51	0.07	0.04	-1.70	308.59

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

FORM 6

ENTITY ACTION FORM

Operator: KERR McGEE OIL & GAS ONSHORE LP Operator Account Number: N 2995
Address: 1368 SOUTH 1200 EAST
city VERNAL
state UT zip 84078 Phone Number: (435) 781-7024

Well 1

API Number	Well Name		QQ	Sec	Twp	Rng	County
4304750580	FEDERAL 920-23JT		NWSE	23	9S	20E	UINTAH
Action Code	Current Entity Number	New Entity Number	Spud Date			Entity Assignment Effective Date	
E	18212	18212				11/19/2011	
Comments: THE SUBJECT WELL WAS COMPLETED IN THE MESAVERDE FORMATION. PLEASE CHANGE FROM WASATCH/MESAVERDE TO MESAVERDE EFFECTIVE 11/19/2012 — 2/15/12 MVRD							

Well 2

API Number	Well Name		QQ	Sec	Twp	Rng	County
Action Code	Current Entity Number	New Entity Number	Spud Date			Entity Assignment Effective Date	
Comments:							

Well 3

API Number	Well Name		QQ	Sec	Twp	Rng	County
Action Code	Current Entity Number	New Entity Number	Spud Date			Entity Assignment Effective Date	
Comments:							

ACTION CODES:

- A - Establish new entity for new well (single well only)
- B - Add new well to existing entity (group or unit well)
- C - Re-assign well from one existing entity to another existing entity
- D - Re-assign well from one existing entity to a new entity
- E - Other (Explain in 'comments' section)

SHEILA WOPSOCK

Name (Please Print)

Signature

REGULATORY ANALYST

Title

2/9/2012

Date

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FEB 09 2012

Div. of Oil, Gas & Mining

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

FORM 6

ENTITY ACTION FORM

Operator: KERR MCGEE OIL & GAS ONSHORE LP Operator Account Number: N 2995
Address: P.O. Box 173779
city DENVER
state CO zip 80217 Phone Number: (720) 929-6304

Well 1

API Number	Well Name		QQ	Sec	Twp	Rng	County
4304740546	FEDERAL 920-23P		SESE	23	9S	20E	UINTAH
Action Code	Current Entity Number	New Entity Number	Spud Date		Entity Assignment Effective Date		
C	17447	2900	1/9/2010		2/1/2012		
Comments: <u>moved into unit NBU</u> — <u>3/30/2012</u>							

Well 2

API Number	Well Name		QQ	Sec	Twp	Rng	County
4304750580	FEDERAL 920-23JT		NENW	23	9S	20E	UINTAH
Action Code	Current Entity Number	New Entity Number	Spud Date		Entity Assignment Effective Date		
C	18212	2900	11/23/2011		2/1/2012		
Comments: Please update the subject well to reflect production from WSMVD. <u>moved into NBU unit</u> — <u>3/30/2012</u>							

Well 3

API Number	Well Name		QQ	Sec	Twp	Rng	County
4304750581	FEDERAL 920-23I		NESE	23	9S	20E	UINTAH
Action Code	Current Entity Number	New Entity Number	Spud Date		Entity Assignment Effective Date		
C	18029	2900	4/30/2011		2/1/2012		
Comments: <u>moved into NBU unit</u> — <u>3/30/12</u>							

ACTION CODES:

- A - Establish new entity for new well (single well only)
- B - Add new well to existing entity (group or unit well)
- C - Re-assign well from one existing entity to another existing entity
- D - Re-assign well from one existing entity to a new entity
- E - Other (Explain in 'comments' section)

JAIME SCHARNOWSKE

Name (Please Print)

Signature

REGULATORY ANALYST

Title

3/28/2012

Date

MAR 20 2012

Div. of Oil, Gas & Mining

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

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JUL 28 2009
me

FORM APPROVED
OMB No. 1004-0136
Expires July 31, 2010

APPLICATION FOR PERMIT TO DRILL OR REENTER

BLM

1a. Type of Work: <input checked="" type="checkbox"/> DRILL <input type="checkbox"/> REENTER		5. Lease Serial No. UTU0577A
1b. Type of Well: <input type="checkbox"/> Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other <input type="checkbox"/> Single Zone <input checked="" type="checkbox"/> Multiple Zone		6. If Indian, Allottee or Tribe Name
2. Name of Operator KERRMCGEE OIL&GAS ONSHORE LP Contact: DANIELLE E PIERNOT Email: Danielle.Piernot@anadarko.com		7. If Unit or CA Agreement, Name and No.
3a. Address PO BOX 173779 DENVER, CO 80202-3779	3b. Phone No. (include area code) Ph: 720-929-6156 Fx: 720-929-7156	8. Lease Name and Well No. FEDERAL 920-23JT
4. Location of Well (Report location clearly and in accordance with any State requirements.)* At surface NWSE 1829FSL 2020FEL 40.01850 N Lat, 109.63126 W Lon At proposed prod. zone NWSE 1829FSL 2020FEL 40.01850 N Lat, 109.63126 W Lon		9. API Well No. 43-047-50580
14. Distance in miles and direction from nearest town or post office* APPROXIMATELY 8 MILES SOUTHEAST OF OURAY, UTAH		10. Field and Pool, or Exploratory NATURAL BUTTES
15. Distance from proposed location to nearest property or lease line, ft. (Also to nearest drig. unit line, if any) 1829 FEET	16. No. of Acres in Lease 2091.20	11. Sec., T., R., M., or Blk. and Survey or Area Sec 23 T9S R20E Mer SLB
18. Distance from proposed location to nearest well, drilling, completed, applied for, on this lease, ft. APPROXIMATELY 1200 FEET	19. Proposed Depth 10448 MD 10448 TVD	12. County or Parish UINTAH
21. Elevations (Show whether DF, KB, RT, GL, etc.) 4849 GL	22. Approximate date work will start 08/03/2009	13. State UT
		17. Spacing Unit dedicated to this well
		20. BLM/BIA Bond No. on file WYB000291
		23. Estimated duration 60-90 DAYS

24. Attachments

The following, completed in accordance with the requirements of Onshore Oil and Gas Order No. 1, shall be attached to this form:

- | | |
|---|--|
| 1. Well plat certified by a registered surveyor. | 4. Bond to cover the operations unless covered by an existing bond on file (see Item 20 above). |
| 2. A Drilling Plan. | 5. Operator certification |
| 3. A Surface Use Plan (if the location is on National Forest System Lands, the SUPO shall be filed with the appropriate Forest Service Office). | 6. Such other site specific information and/or plans as may be required by the authorized officer. |

25. Signature (Electronic Submission)	Name (Printed/Typed) DANIELLE E PIERNOT Ph: 720-929-6156	Date 07/16/2009
Title REGULATORY ANALYST		
Approved by (Signature) 	Name (Printed/Typed) James H. Sparger	Date MAR 14 2010
Title ACTING Assistant Field Manager Lands & Mineral Resources	Office VERNAL FIELD OFFICE	

Application approval does not warrant or certify the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.
Conditions of approval, if any, are attached.

Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

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APR 01 2010

Additional Operator Remarks (see next page)

NOTICE OF APPROVAL

DIV. OF OIL, GAS & MINING

Electronic Submission #72263 verified by the BLM Well Information System
For KERRMCGEE OIL&GAS ONSHORE LP, sent to the Vernal Field Office
Committed to AFMSS for processing by GAIL JENKINS on 07/21/2009

AFMSS#

CONDITIONS OF APPROVAL ATTACHED

** OPERATOR-SUBMITTED ** OPERATOR-SUBMITTED ** OPERATOR-SUBMITTED **

096XJ5429AE

NO NOS

4006 m

NOS and posted 07/23/09

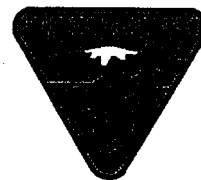


UNITED STATES DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT
VERNAL FIELD OFFICE

170 South 500 East

VERNAL, UT 84078

(435) 781-4400



CONDITIONS OF APPROVAL FOR APPLICATION FOR PERMIT TO DRILL

Company: Kerr McGee Oil & Gas Onshore LP
Well No: Federal 920-23JT
API No: 43-047-50580

Location: NWSE, Sec.23, T9S R20E
Lease No: UTU-0577A
Agreement: N/A

OFFICE NUMBER: (435) 781-4400

OFFICE FAX NUMBER: (435) 781-3420

**A COPY OF THESE CONDITIONS SHALL BE FURNISHED TO YOUR
FIELD REPRESENTATIVE TO INSURE COMPLIANCE**

All lease and/or unit operations are to be conducted in such a manner that full compliance is made with the applicable laws, regulations (43 CFR Part 3160), and this approved Application for Permit to Drill including Surface and Downhole Conditions of Approval. The operator is considered fully responsible for the actions of his subcontractors. A copy of the approved APD must be on location during construction, drilling, and completion operations. **This permit is approved for a two (2) year period, or until lease expiration, whichever occurs first. An additional extension, up to two (2) years, may be applied for by sundry notice prior to expiration.**

NOTIFICATION REQUIREMENTS

Location Construction (Notify Environmental Scientist)	-	Forty-Eight (48) hours prior to construction of location and access roads.
Location Completion (Notify Environmental Scientist)	-	Prior to moving on the drilling rig.
Spud Notice (Notify Petroleum Engineer)	-	Twenty-Four (24) hours prior to spudding the well.
Casing String & Cementing (Notify Supv. Petroleum Tech.)	-	Twenty-Four (24) hours prior to running casing and cementing all casing strings to: ut_vn_opreport@blm.gov .
BOP & Related Equipment Tests (Notify Supv. Petroleum Tech.)	-	Twenty-Four (24) hours prior to initiating pressure tests.
First Production Notice (Notify Petroleum Engineer)	-	Within Five (5) business days after new well begins or production resumes after well has been off production for more than ninety (90) days.

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DIV. OF OIL, GAS & MINING

**SURFACE USE PROGRAM
CONDITIONS OF APPROVAL (COAs)**

- All new and replacement internal combustion gas field engines of less than or equal to 300 design-rated horsepower must not emit more than 2 gms of NO_x per horsepower-hour. This requirement does not apply to gas field engines of less than or equal to 40 design-rated horsepower.
- All and replacement internal combustion gas field engines of greater than 300 design rated horsepower must not emit more than 1.0 gms of NO_x per horsepower-hour.
- If there is an active Gilsonite mining operation within 2 miles of the well location, operator shall notify the Gilsonite operator at least 48 hours prior to any blasting during construction.
- If paleontological materials are uncovered during construction, the operator is to immediately stop work and contact the Authorized Officer (AO). A determination will be made by the AO as to what mitigation may be necessary for the discovered paleontologic material before construction can continue.

SITE SPECIFIC CONDITIONS OF APPROVAL

Site-Specific Conditions of Approval:

- Paint facilities "shadow gray."
- Utilize pit-run/gravel for well pad and access road support.
- Cut and bury the existing well head marker on the well pad.
- Monitor location by a permitted archaeologist during the construction process.
- If project construction operations are scheduled to occur after December 31, 2009, a raptor survey should be conducted prior to construction of the proposed locations, pipelines, or access roads if construction would take place during raptor nesting season (January 1 through September 30).
- If project construction operation are scheduled to occur after June 15, 2010, KMG will conduct additional biological surveys in accordance with the guidelines specified I the USFWS Rare Plant Conservation Measures for Uinta Basin hookless cactus (See Appendix D) and conduct its operation according to its specifications.

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BIA Standard Conditions of Approval:

- Soil erosion will be mitigated by reseeding all disturbed areas.
- The gathering pipelines will be constructed to lie on the surface. The surface pipelines will not be bladed or cleared of vegetation. Where pipelines are constructed parallel to roads they may be welded on the road and then lifted from the road onto the right-of-way. Where pipelines do not parallel roads but cross-country between sites, they shall be welded in place at well sites or on access roads and then pulled between stations with a suitable piece of equipment. Traffic will be restricted along these areas so that the pipeline right-of-way will not be used as an access road.

- production system shall be used. This means all produced water and oil field fluid wastes shall be contained in leak proof tanks. These fluids shall be disposed of in either approved injection wells or disposal pits.
- Major low water crossings will be armored with pit run material to protect them from erosion.
- All personnel should refrain from collecting any paleontological fossils and from disturbing any fossil resources in the area.
- If fossils An open drilling system shall be used, unless otherwise specified in 10.0 Additional Stipulations of this document and in the Application for Permit to Drill. A closed drilling system shall be used in all flood plain areas, and other highly sensitive areas, recommended by the Ute Tribe Technician, BIA, and other agencies involved.
- The reserve pit shall be lined with a synthetic leak proof liner. After the drilling operation is complete, excess fluids shall be removed from the reserve pit and either hauled to an approved disposal site or shall be used to drill other wells. When the fluids are removed the pit shall be backfilled a minimum of 3.0' below the soil surface elevation.
- A closed are exposed or identified during construction, all construction must cease and immediate notification to the Energy and Minerals Department and the Cultural Rights Protection Officer.
- Before the site is abandoned the company will be required to restore the right-of-way to near its original state. The disturbed area will be reseeded with desirable perennial vegetation. If necessary, the Bureau of Indian Affairs or Bureau of Land Management will provide a suitable seed mixture.
- Noxious weeds will be controlled on all surface disturbances within the project area. If noxious weeds spread from the project area onto adjoining land, the company will also be responsible for their control.
- If project construction operations are scheduled to occur after December 31, 2009, KMG should conduct annual raptor surveys in accordance with the guidelines specified in the Utah Field Office Guidelines for Raptor Protection from Human and Land Use Disturbances, 2002 (See Appendix E) and conduct its operations according to applicable seasonal restrictions and spatial offsets.
- USFWS threatened and endangered plant and animal conservation measures will be followed, as appropriate to the species identified by the biological resource survey (See Appendix E).
- All personnel should refrain from collecting artifacts and from disturbing any significant cultural resources in the area.
- If artifacts or any culturally sensitive materials are exposed or identified during construction, all construction must cease and immediate notification to the Energy and Minerals Department and the Cultural Rights Protection Officer.

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**DOWNHOLE PROGRAM
CONDITIONS OF APPROVAL (COAs)**

SITE SPECIFIC DOWNHOLE COAs:

- A Gama Ray Log shall be run from TD to surface.

Variances Granted:

Air Drilling:

- Properly lubricated and maintained rotating head, variance granted to use a properly maintained and lubricated diverter bowl in place of a rotating head.
- Blooie line discharge 100' from the well bore, variance granted for blooie line discharge to be 45' from the well bore.
- Compressors located in the opposite direction from the blooie line a minimum of 100' from the well bore. Variance granted for two truck/trailer mounted air compressors located within 40 feet from the well bore and 60' from the blooie line.
- In lieu of mud products on location, Kerr McGee will fill the reserve pit with water for kill fluid.
- Automatic igniter. Variance granted for igniter due to there being no productive formations while drilling with air.

All provisions outlined in Onshore Oil & Gas Order #2 Drilling Operations shall be strictly adhered to. The following items are emphasized:

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DRILLING/COMPLETION/PRODUCING OPERATING STANDARDS

APR 01 2010

- The spud date and time shall be reported orally to Vernal Field Office within 24 hours of spudding.
- Notify Vernal Field Office Supervisory Petroleum Engineering Technician at least 24 hours in advance of casing cementing operations and BOPE & casing pressure tests.
- All requirements listed in Onshore Order #2 III. E. Special Drilling Operations are applicable for air drilling of surface hole.
- Blowout prevention equipment (BOPE) shall remain in use until the well is completed or abandoned. Closing unit controls shall remain unobstructed and readily accessible at all times. Choke manifolds shall be located outside of the rig substructure.
- All BOPE components shall be inspected daily and those inspections shall be recorded in the daily drilling report. Components shall be operated and tested as required by Onshore Oil & Gas Order No. 2 to insure good mechanical working order. All BOPE pressure tests shall be performed by a test pump with a chart recorder and **NOT** by the rig pumps. Test shall be reported in the driller's log.
- BOP drills shall be initially conducted by each drilling crew within 24 hours of drilling out from under the surface casing and weekly thereafter as specified in Onshore Oil & Gas Order No. 2.

- Casing pressure tests are required before drilling out from under all casing strings set and cemented in place.
- No aggressive/fresh hard-banded drill pipe shall be used within casing.
- **Cement baskets shall not be run on surface casing.**
- The operator must report all shows of water or water-bearing sands to the BLM. If flowing water is encountered it must be sampled, analyzed, and a copy of the analyses submitted to the BLM Vernal Field Office.
- The operator must report encounters of all non oil & gas mineral resources (such as Gilsonite, tar sands, oil shale, trona, etc.) to the Vernal Field Office, in writing, within 5 working days of each encounter. Each report shall include the well name/number, well location, date and depth (from KB or GL) of encounter, vertical footage of the encounter and, the name of the person making the report (along with a telephone number) should the BLM need to obtain additional information.
- A complete set of angular deviation and directional surveys of a directional well will be submitted to the Vernal BLM office engineer within 30 days of the completion of the well.
- While actively drilling, chronologic drilling progress reports shall be filed directly with the BLM, Vernal Field Office on a weekly basis in sundry, letter format or e-mail to the Petroleum Engineers until the well is completed.
- A cement bond log (CBL) will be run from the production casing shoe to the top of cement and shall be utilized to determine the bond quality for the production casing. Submit a field copy of the CBL to this office.
- **Please submit an electronic copy of all other logs run on this well in LAS format to UT_VN_Welllogs@BLM.gov. This submission will supersede the requirement for submittal of paper logs to the BLM.**
- There shall be no deviation from the proposed drilling, completion, and/or workover program as approved. Safe drilling and operating practices must be observed. Any changes in operation must have prior approval from the BLM Vernal Field Office.

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DIV. OF OIL, GAS & MINING

OPERATING REQUIREMENT REMINDERS:

- All wells, whether drilling, producing, suspended, or abandoned, shall be identified in accordance with 43 CFR 3162.6. There shall be a sign or marker with the name of the operator, lease serial number, well number, and surveyed description of the well.
- In accordance with 43 CFR 3162.4-3, this well shall be reported on the "Monthly Report of Operations" (Oil and Gas Operations Report ((OGOR)) starting with the month in which operations commence and continue each month until the well is physically plugged and abandoned. This report shall be filed in duplicate, directly with the Minerals Management Service, P.O. Box 17110, Denver, Colorado 80217-0110, or call 1-800-525-7922 (303) 231-3650 for reporting information.
- Should the well be successfully completed for production, the BLM Vernal Field office must be notified when it is placed in a producing status. Such notification will be by written communication and must be received in this office by not later than the fifth business day following the date on which the well is placed on production. The notification shall provide, as a minimum, the following informational items:
 - Operator name, address, and telephone number.
 - Well name and number.
 - Well location (¼¼, Sec., Twn, Rng, and P.M.).
 - Date well was placed in a producing status (date of first production for which royalty will be paid).
 - The nature of the well's production, (i.e., crude oil, or crude oil and casing head gas, or natural gas and entrained liquid hydrocarbons).
 - The Federal or Indian lease prefix and number on which the well is located; otherwise the non-Federal or non-Indian land category, i.e., State or private.
 - Unit agreement and/or participating area name and number, if applicable.
 - Communitization agreement number, if applicable.
- Any venting or flaring of gas shall be done in accordance with Notice to Lessees (NTL) 4A and needs prior approval from the BLM Vernal Field Office.
- All undesirable events (fires, accidents, blowouts, spills, discharges) as specified in NTL 3A will be reported to the BLM, Vernal Field Office. Major events, as defined in NTL3A, shall be reported verbally within 24 hours, followed by a written report within 15 days. "Other than Major Events" will be reported in writing within 15 days. "Minor Events" will be reported on the Monthly Report of Operations and Production.
- Whether the well is completed as a dry hole or as a producer, "Well Completion and Recompletion Report and Log" (BLM Form 3160-4) shall be submitted not later than 30 days after completion of the well or after completion of operations being performed, in accordance with 43 CFR 3162.4-1. Two copies of all logs run, core descriptions, and all other surveys or data obtained and compiled during the drilling, workover, and/or completion operations, shall be filed on BLM Form 3160-4.

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DIV. OF OIL, GAS & MINING

Submit with the well completion report a geologic report including, at a minimum, formation tops, and a summary and conclusions. Also include deviation surveys, sample descriptions, strip logs, core data, drill stem test data, and results of production tests if performed. Samples (cuttings, fluid, and/or gas) shall be submitted only when requested by the BLM, Vernal Field Office.

- All off-lease storage, off-lease measurement, or commingling on-lease or off-lease, shall have prior written approval from the BLM Vernal Field Office.
- Oil and gas meters shall be calibrated in place prior to any deliveries. The BLM Vernal Field Office Petroleum Engineers will be provided with a date and time for the initial meter calibration and all future meter proving schedules. A copy of the meter calibration reports shall be submitted to the BLM Vernal Field Office. All measurement facilities will conform to the API standards for liquid hydrocarbons and the AGA standards for natural gas measurement. All measurement points shall be identified as the point of sale or allocation for royalty purposes.
- A schematic facilities diagram as required by Onshore Oil & Gas Order No. 3 shall be submitted to the BLM Vernal Field Office within 30 days of installation or first production, whichever occurs first. All site security regulations as specified in Onshore Oil & Gas Order No. 3 shall be adhered to. All product lines entering and leaving hydrocarbon storage tanks will be effectively sealed in accordance with Onshore Oil & Gas Order No. 3.
- Any additional construction, reconstruction, or alterations of facilities, including roads, gathering lines, batteries, etc., which will result in the disturbance of new ground, shall require the filing of a suitable plan and need prior approval of the BLM Vernal Field Office. Emergency approval may be obtained orally, but such approval does not waive the written report requirement.
- No location shall be constructed or moved, no well shall be plugged, and no drilling or workover equipment shall be removed from a well to be placed in a suspended status without prior approval of the BLM Vernal Field Office. If operations are to be suspended for more than 30 days, prior approval of the BLM Vernal Field Office shall be obtained and notification given before resumption of operations.
- Pursuant to Onshore Oil & Gas Order No. 7, this is authorization for pit disposal of water produced from this well for a period of 90 days from the date of initial production. A permanent disposal method must be approved by this office and in operation prior to the end of this 90-day period. In order to meet this deadline, an application for the proposed permanent disposal method shall be submitted along with any necessary water analyses, as soon as possible, but no later than 45 days after the date of first production. Any method of disposal which has not been approved prior to the end of the authorized 90-day period will be considered as an Incident of Noncompliance and will be grounds for issuing a shut-in order until an acceptable manner for disposing of said water is provided and approved by this office.
- Unless the plugging is to take place immediately upon receipt of oral approval, the Field Office Petroleum Engineers must be notified at least 24 hours in advance of the plugging of the well, in order that a representative may witness plugging operations. If a well is suspended or abandoned, all pits must be fenced immediately until they are backfilled. The "Subsequent Report of Abandonment" (Form BLM 3160-5) must be submitted within 30 days after the actual plugging of the well bore, showing location of plugs, amount of cement in each, and amount of casing left in hole, and the current status of the surface restoration.

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DIV. OF OIL, GAS & MINING

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

RECEIVED

JUL 28 2009
meFORM APPROVED
OMB No. 1004-0136
Expires July 31, 2010

APPLICATION FOR PERMIT TO DRILL OR REENTER

BLM

1a. Type of Work: <input checked="" type="checkbox"/> DRILL <input type="checkbox"/> REENTER		5. Lease Serial No. UTU0577A
1b. Type of Well: <input type="checkbox"/> Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other <input type="checkbox"/> Single Zone <input checked="" type="checkbox"/> Multiple Zone		6. If Indian, Allottee or Tribe Name
2. Name of Operator KERRMCGEE OIL&GAS ONSHORE LP Contact: DANIELLE E PIERNOT Email: Danielle.Piernot@anadarko.com		7. If Unit or CA Agreement, Name and No.
3a. Address PO BOX 173779 DENVER, CO 80202-3779		8. Lease Name and Well No. FEDERAL 920-23JT
3b. Phone No. (include area code) Ph: 720-929-6156 Fx: 720-929-7156		9. API Well No. 43-047-50580
4. Location of Well (Report location clearly and in accordance with any State requirements.)* At surface NWSE 1829FSL 2020FEL 40.01850 N Lat, 109.63126 W Lon At proposed prod. zone NWSE 1829FSL 2020FEL 40.01850 N Lat, 109.63126 W Lon		10. Field and Pool, or Exploratory NATURAL BUTTES
14. Distance in miles and direction from nearest town or post office* APPROXIMATELY 8 MILES SOUTHEAST OF OURAY, UTAH		11. Sec., T., R., M., or Blk. and Survey or Area Sec 23 T9S R20E Mer SLB
15. Distance from proposed location to nearest property or lease line, ft. (Also to nearest drig. unit line, if any) 1829 FEET	16. No. of Acres in Lease 2091.20	12. County or Parish UINTAH
18. Distance from proposed location to nearest well, drilling, completed, applied for, on this lease, ft. APPROXIMATELY 1200 FEET	19. Proposed Depth 10448 MD 10448 TVD	13. State UT
21. Elevations (Show whether DF, KB, RT, GL, etc.) 4849 GL	22. Approximate date work will start 08/03/2009	17. Spacing Unit dedicated to this well
		20. BLM/BIA Bond No. on file WYB000291
		23. Estimated duration 60-90 DAYS

24. Attachments

The following, completed in accordance with the requirements of Onshore Oil and Gas Order No. 1, shall be attached to this form:

1. Well plat certified by a registered surveyor.
2. A Drilling Plan.
3. A Surface Use Plan (if the location is on National Forest System Lands, the SUPO shall be filed with the appropriate Forest Service Office).
4. Bond to cover the operations unless covered by an existing bond on file (see Item 20 above).
5. Operator certification
6. Such other site specific information and/or plans as may be required by the authorized officer.

25. Signature (Electronic Submission)	Name (Printed/Typed) DANIELLE E PIERNOT Ph: 720-929-6156	Date 07/16/2009
Title REGULATORY ANALYST		
Approved by (Signature) 	Name (Printed/Typed) James H. Sparger	Date MAR 14 2010
Title ACTING Assistant Field Manager Lands & Mineral Resources	Office VERNAL FIELD OFFICE	

Application approval does not warrant or certify the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.
Conditions of approval, if any, are attached.

Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

Additional Operator Remarks (see next page)

NOTICE OF APPROVAL

DIV. OF OIL, GAS & MINING

Electronic Submission #72263 verified by the BLM Well Information System
For KERRMCGEE OIL&GAS ONSHORE LP, sent to the Vernal Field Office
Committed to AFMSS for processing by GAIL JENKINS on 07/21/2009

AFMSS#

CONDITIONS OF APPROVAL ATTACHED

** OPERATOR-SUBMITTED ** OPERATOR-SUBMITTED ** OPERATOR-SUBMITTED **

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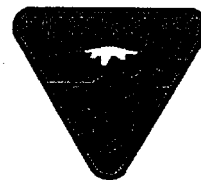


UNITED STATES DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT
VERNAL FIELD OFFICE

170 South 500 East

VERNAL, UT 84078

(435) 781-4400



CONDITIONS OF APPROVAL FOR APPLICATION FOR PERMIT TO DRILL

Company: Kerr McGee Oil & Gas Onshore LP
Well No: Federal 920-23JT
API No: 43-047-50580

Location: NWSE, Sec.23, T9S R20E
Lease No: UTU-0577A
Agreement: N/A

OFFICE NUMBER: (435) 781-4400

OFFICE FAX NUMBER: (435) 781-3420

**A COPY OF THESE CONDITIONS SHALL BE FURNISHED TO YOUR
FIELD REPRESENTATIVE TO INSURE COMPLIANCE**

All lease and/or unit operations are to be conducted in such a manner that full compliance is made with the applicable laws, regulations (43 CFR Part 3160), and this approved Application for Permit to Drill including Surface and Downhole Conditions of Approval. The operator is considered fully responsible for the actions of his subcontractors. A copy of the approved APD must be on location during construction, drilling, and completion operations. **This permit is approved for a two (2) year period, or until lease expiration, whichever occurs first. An additional extension, up to two (2) years, may be applied for by sundry notice prior to expiration.**

NOTIFICATION REQUIREMENTS

Location Construction (Notify Environmental Scientist)	-	Forty-Eight (48) hours prior to construction of location and access roads.
Location Completion (Notify Environmental Scientist)	-	Prior to moving on the drilling rig.
Spud Notice (Notify Petroleum Engineer)	-	Twenty-Four (24) hours prior to spudding the well.
Casing String & Cementing (Notify Supv. Petroleum Tech.)	-	Twenty-Four (24) hours prior to running casing and cementing all casing strings to: ut_vn_opreport@blm.gov .
BOP & Related Equipment Tests (Notify Supv. Petroleum Tech.)	-	Twenty-Four (24) hours prior to initiating pressure tests.
First Production Notice (Notify Petroleum Engineer)	-	Within Five (5) business days after new well begins or production resumes after well has been off production for more than ninety (90) days.

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**SURFACE USE PROGRAM
CONDITIONS OF APPROVAL (COAs)**

- All new and replacement internal combustion gas field engines of less than or equal to 300 design-rated horsepower must not emit more than 2 gms of NO_x per horsepower-hour. This requirement does not apply to gas field engines of less than or equal to 40 design-rated horsepower.
- All and replacement internal combustion gas field engines of greater than 300 design rated horsepower must not emit more than 1.0 gms of NO_x per horsepower-hour.
- If there is an active Gilsonite mining operation within 2 miles of the well location, operator shall notify the Gilsonite operator at least 48 hours prior to any blasting during construction.
- If paleontological materials are uncovered during construction, the operator is to immediately stop work and contact the Authorized Officer (AO). A determination will be made by the AO as to what mitigation may be necessary for the discovered paleontologic material before construction can continue.

SITE SPECIFIC CONDITIONS OF APPROVAL

Site-Specific Conditions of Approval:

- Paint facilities "shadow gray."
- Utilize pit-run/gravel for well pad and access road support.
- Cut and bury the existing well head marker on the well pad.
- Monitor location by a permitted archaeologist during the construction process.
- If project construction operations are scheduled to occur after December 31, 2009, a raptor survey should be conducted prior to construction of the proposed locations, pipelines, or access roads if construction would take place during raptor nesting season (January 1 through September 30).
- If project construction operation are scheduled to occur after June 15, 2010, KMG will conduct additional biological surveys in accordance with the guidelines specified I the USFWS Rare Plant Conservation Measures for Uinta Basin hookless cactus (See Appendix D) and conduct its operation according to its specifications.

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BIA Standard Conditions of Approval:

- Soil erosion will be mitigated by reseeding all disturbed areas.
- The gathering pipelines will be constructed to lie on the surface. The surface pipelines will not be bladed or cleared of vegetation. Where pipelines are constructed parallel to roads they may be welded on the road and then lifted from the road onto the right-of-way. Where pipelines do not parallel roads but cross-country between sites, they shall be welded in place at well sites or on access roads and then pulled between stations with a suitable piece of equipment. Traffic will be restricted along these areas so that the pipeline right-of-way will not be used as an access road.

- production system shall be used. This means all produced water and oil field fluid wastes shall be contained in leak proof tanks. These fluids shall be disposed of in either approved injection wells or disposal pits.
- Major low water crossings will be armored with pit run material to protect them from erosion.
- All personnel should refrain from collecting any paleontological fossils and from disturbing any fossil resources in the area.
- If fossils An open drilling system shall be used, unless otherwise specified in 10.0 Additional Stipulations of this document and in the Application for Permit to Drill. A closed drilling system shall be used in all flood plain areas, and other highly sensitive areas, recommended by the Ute Tribe Technician, BIA, and other agencies involved.
- The reserve pit shall be lined with a synthetic leak proof liner. After the drilling operation is complete, excess fluids shall be removed from the reserve pit and either hauled to an approved disposal site or shall be used to drill other wells. When the fluids are removed the pit shall be backfilled a minimum of 3.0' below the soil surface elevation.
- A closed are exposed or identified during construction, all construction must cease and immediate notification to the Energy and Minerals Department and the Cultural Rights Protection Officer.
- Before the site is abandoned the company will be required to restore the right-of-way to near its original state. The disturbed area will be reseeded with desirable perennial vegetation. If necessary, the Bureau of Indian Affairs or Bureau of Land Management will provide a suitable seed mixture.
- Noxious weeds will be controlled on all surface disturbances within the project area. If noxious weeds spread from the project area onto adjoining land, the company will also be responsible for their control.
- If project construction operations are scheduled to occur after December 31, 2009, KMG should conduct annual raptor surveys in accordance with the guidelines specified in the Utah Field Office Guidelines for Raptor Protection from Human and Land Use Disturbances, 2002 (See Appendix E) and conduct its operations according to applicable seasonal restrictions and spatial offsets.
- USFWS threatened and endangered plant and animal conservation measures will be followed, as appropriate to the species identified by the biological resource survey (See Appendix E).
- All personnel should refrain from collecting artifacts and from disturbing any significant cultural resources in the area.
- If artifacts or any culturally sensitive materials are exposed or identified during construction, all construction must cease and immediate notification to the Energy and Minerals Department and the Cultural Rights Protection Officer.

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**DOWNHOLE PROGRAM
CONDITIONS OF APPROVAL (COAs)**

SITE SPECIFIC DOWNHOLE COAs:

- A Gama Ray Log shall be run from TD to surface.

Variances Granted:

Air Drilling:

- Properly lubricated and maintained rotating head, variance granted to use a properly maintained and lubricated diverter bowl in place of a rotating head.
- Blooie line discharge 100' from the well bore, variance granted for blooie line discharge to be 45' from the well bore.
- Compressors located in the opposite direction from the blooie line a minimum of 100' from the well bore. Variance granted for two truck/trailer mounted air compressors located within 40 feet from the well bore and 60' from the blooie line.
- In lieu of mud products on location, Kerr McGee will fill the reserve pit with water for kill fluid.
- Automatic igniter. Variance granted for igniter due to there being no productive formations while drilling with air.

All provisions outlined in Onshore Oil & Gas Order #2 Drilling Operations shall be strictly adhered to. The following items are emphasized:

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DRILLING/COMPLETION/PRODUCING OPERATING STANDARDS

APR 01 2010

- The spud date and time shall be reported orally to Vernal Field Office within 24 hours of spudding.
- Notify Vernal Field Office Supervisory Petroleum Engineering Technician at least 24 hours in advance of casing cementing operations and BOPE & casing pressure tests.
- All requirements listed in Onshore Order #2 III. E. Special Drilling Operations are applicable for air drilling of surface hole.
- Blowout prevention equipment (BOPE) shall remain in use until the well is completed or abandoned. Closing unit controls shall remain unobstructed and readily accessible at all times. Choke manifolds shall be located outside of the rig substructure.
- All BOPE components shall be inspected daily and those inspections shall be recorded in the daily drilling report. Components shall be operated and tested as required by Onshore Oil & Gas Order No. 2 to insure good mechanical working order. All BOPE pressure tests shall be performed by a test pump with a chart recorder and **NOT** by the rig pumps. Test shall be reported in the driller's log.
- BOP drills shall be initially conducted by each drilling crew within 24 hours of drilling out from under the surface casing and weekly thereafter as specified in Onshore Oil & Gas Order No. 2.

- Casing pressure tests are required before drilling out from under all casing strings set and cemented in place.
- No aggressive/fresh hard-banded drill pipe shall be used within casing.
- **Cement baskets shall not be run on surface casing.**
- The operator must report all shows of water or water-bearing sands to the BLM. If flowing water is encountered it must be sampled, analyzed, and a copy of the analyses submitted to the BLM Vernal Field Office.
- The operator must report encounters of all non oil & gas mineral resources (such as Gilsonite, tar sands, oil shale, trona, etc.) to the Vernal Field Office, in writing, within 5 working days of each encounter. Each report shall include the well name/number, well location, date and depth (from KB or GL) of encounter, vertical footage of the encounter and, the name of the person making the report (along with a telephone number) should the BLM need to obtain additional information.
- A complete set of angular deviation and directional surveys of a directional well will be submitted to the Vernal BLM office engineer within 30 days of the completion of the well.
- While actively drilling, chronologic drilling progress reports shall be filed directly with the BLM, Vernal Field Office on a weekly basis in sundry, letter format or e-mail to the Petroleum Engineers until the well is completed.
- A cement bond log (CBL) will be run from the production casing shoe to the top of cement and shall be utilized to determine the bond quality for the production casing. Submit a field copy of the CBL to this office.
- **Please submit an electronic copy of all other logs run on this well in LAS format to UT_VN_Welllogs@BLM.gov. This submission will supersede the requirement for submittal of paper logs to the BLM.**
- There shall be no deviation from the proposed drilling, completion, and/or workover program as approved. Safe drilling and operating practices must be observed. Any changes in operation must have prior approval from the BLM Vernal Field Office.

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OPERATING REQUIREMENT REMINDERS:

- All wells, whether drilling, producing, suspended, or abandoned, shall be identified in accordance with 43 CFR 3162.6. There shall be a sign or marker with the name of the operator, lease serial number, well number, and surveyed description of the well.
- In accordance with 43 CFR 3162.4-3, this well shall be reported on the "Monthly Report of Operations" (Oil and Gas Operations Report ((OGOR)) starting with the month in which operations commence and continue each month until the well is physically plugged and abandoned. This report shall be filed in duplicate, directly with the Minerals Management Service, P.O. Box 17110, Denver, Colorado 80217-0110, or call 1-800-525-7922 (303) 231-3650 for reporting information.
- Should the well be successfully completed for production, the BLM Vernal Field office must be notified when it is placed in a producing status. Such notification will be by written communication and must be received in this office by not later than the fifth business day following the date on which the well is placed on production. The notification shall provide, as a minimum, the following informational items:
 - Operator name, address, and telephone number.
 - Well name and number.
 - Well location (¼¼, Sec., Twn, Rng, and P.M.).
 - Date well was placed in a producing status (date of first production for which royalty will be paid).
 - The nature of the well's production, (i.e., crude oil, or crude oil and casing head gas, or natural gas and entrained liquid hydrocarbons).
 - The Federal or Indian lease prefix and number on which the well is located; otherwise the non-Federal or non-Indian land category, i.e., State or private.
 - Unit agreement and/or participating area name and number, if applicable.
 - Communitization agreement number, if applicable.
- Any venting or flaring of gas shall be done in accordance with Notice to Lessees (NTL) 4A and needs prior approval from the BLM Vernal Field Office.
- All undesirable events (fires, accidents, blowouts, spills, discharges) as specified in NTL 3A will be reported to the BLM, Vernal Field Office. Major events, as defined in NTL3A, shall be reported verbally within 24 hours, followed by a written report within 15 days. "Other than Major Events" will be reported in writing within 15 days. "Minor Events" will be reported on the Monthly Report of Operations and Production.
- Whether the well is completed as a dry hole or as a producer, "Well Completion and Recompletion Report and Log" (BLM Form 3160-4) shall be submitted not later than 30 days after completion of the well or after completion of operations being performed, in accordance with 43 CFR 3162.4-1. Two copies of all logs run, core descriptions, and all other surveys or data obtained and compiled during the drilling, workover, and/or completion operations, shall be filed on BLM Form 3160-4.

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APR 01 2010

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Submit with the well completion report a geologic report including, at a minimum, formation tops, and a summary and conclusions. Also include deviation surveys, sample descriptions, strip logs, core data, drill stem test data, and results of production tests if performed. Samples (cuttings, fluid, and/or gas) shall be submitted only when requested by the BLM, Vernal Field Office.

- All off-lease storage, off-lease measurement, or commingling on-lease or off-lease, shall have prior written approval from the BLM Vernal Field Office.
- Oil and gas meters shall be calibrated in place prior to any deliveries. The BLM Vernal Field Office Petroleum Engineers will be provided with a date and time for the initial meter calibration and all future meter proving schedules. A copy of the meter calibration reports shall be submitted to the BLM Vernal Field Office. All measurement facilities will conform to the API standards for liquid hydrocarbons and the AGA standards for natural gas measurement. All measurement points shall be identified as the point of sale or allocation for royalty purposes.
- A schematic facilities diagram as required by Onshore Oil & Gas Order No. 3 shall be submitted to the BLM Vernal Field Office within 30 days of installation or first production, whichever occurs first. All site security regulations as specified in Onshore Oil & Gas Order No. 3 shall be adhered to. All product lines entering and leaving hydrocarbon storage tanks will be effectively sealed in accordance with Onshore Oil & Gas Order No. 3.
- Any additional construction, reconstruction, or alterations of facilities, including roads, gathering lines, batteries, etc., which will result in the disturbance of new ground, shall require the filing of a suitable plan and need prior approval of the BLM Vernal Field Office. Emergency approval may be obtained orally, but such approval does not waive the written report requirement.
- No location shall be constructed or moved, no well shall be plugged, and no drilling or workover equipment shall be removed from a well to be placed in a suspended status without prior approval of the BLM Vernal Field Office. If operations are to be suspended for more than 30 days, prior approval of the BLM Vernal Field Office shall be obtained and notification given before resumption of operations.
- Pursuant to Onshore Oil & Gas Order No. 7, this is authorization for pit disposal of water produced from this well for a period of 90 days from the date of initial production. A permanent disposal method must be approved by this office and in operation prior to the end of this 90-day period. In order to meet this deadline, an application for the proposed permanent disposal method shall be submitted along with any necessary water analyses, as soon as possible, but no later than 45 days after the date of first production. Any method of disposal which has not been approved prior to the end of the authorized 90-day period will be considered as an Incident of Noncompliance and will be grounds for issuing a shut-in order until an acceptable manner for disposing of said water is provided and approved by this office.
- Unless the plugging is to take place immediately upon receipt of oral approval, the Field Office Petroleum Engineers must be notified at least 24 hours in advance of the plugging of the well, in order that a representative may witness plugging operations. If a well is suspended or abandoned, all pits must be fenced immediately until they are backfilled. The "Subsequent Report of Abandonment" (Form BLM 3160-5) must be submitted within 30 days after the actual plugging of the well bore, showing location of plugs, amount of cement in each, and amount of casing left in hole, and the current status of the surface restoration.

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